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ATTACHMENT 9-1 EDDVAR MODEL

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2.12 EXHIBIT 9: DEFERRAL AND VARIANCE ACCOUNTS OVERVIEW

Waterloo North Hydro Inc. (WNH) has included in this Cost of Service ("COS") Application, a request for approval for disposition of Group 1 and Group 2 Deferral and Variance Account ("DVAs") balances as at December 31, 2014 and the forecasted interest through December 31, 2015. WNH has followed the Board's guidance in the *Accounting Procedures Handbook and FAQ's* ("APH") for recording amounts in the deferral and variance accounts. Such guidance also includes the Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative ("EDDVAR Report").

Table 9-1 contains descriptions of all the outstanding DVAs. WNH confirms that it has used the DVAs in the same manner described in the APH, and the account balance in Table 9-1 reconciles with the Trial Balance reported through the Electricity Reporting and Record-keeping Requirements and WNH's Audited Financial Statements, with the exceptions which are explained below and in tab "3. Appendix A" of the Board model "Waterloo_2016_EDDVAR_Continuity_Schedule_CoS_v2_4" ("EDDVAR model").

WNH has provided a continuity schedule of the Group 1 and Group 2 DVAs in the EDDVAR model in Table 9-1.

The forecasted interest on December 31, 2014 principal balances of the DVAs is calculated using the Board's prescribed rate of 1.47% for the period of January 1, 2015 to March 31, 2015 and 1.1% for the period April 1, 2015 to December 31, 2015. The interest rates by quarter for each year are provided in Table 9-2 in this Exhibit.

WNH will continue or discontinue the use of the Group 2 accounts on a go-forward basis as provided in Table 9-25 in this Exhibit.

1 WNH notes that 'Disposition and Recovery/Refund of Regulatory Balances (2010-
2 2013), USoA 1595, all had expiry dates of April 30, 2014, thus, have been included in
3 this filing for disposition.

4
5 WNH has accepted the allocators as indicated in the EDDVAR Report. Where the
6 EDDVAR Report has not indicated an allocator methodology, WNH has applied an
7 allocator that it considers appropriate for the various customer rate classes, if
8 applicable. The detailed information on the proposed method of disposition is provided
9 in this Exhibit.

10
11 WNH is not requesting any new accounts or sub-accounts in this COS application.
12 A breakdown of Energy Sales and Cost of Power expense balances, as reported in the
13 Trial Balance reported through the Electricity Reporting and Record-keeping
14 Requirements (RRR) and Audited Financial Statements by WNH, is provided in
15 Table 9-3.

16
17 WNH confirms that the IESO Global Adjustment Charge is pro-rated into the Regulated
18 Price Plan ("RPP") and Non-RPP portions.

19
20 WNH notes that it has two DVAs that resulted from the Settlement Agreement in its
21 2011 Cost of Service Filing. The accounts are reflected in Table 9-1 as 'Other
22 Regulatory Assets – Sub-Account – Other – OMERS Difference – 2011 COS
23 Settlement Agreement Item USoA 1508 and Other Regulatory Assets – Sub-Account –
24 Other – Capital Gain Variance – 2011 COS Settlement Agreement Item USoA 1508.

25
26 Both accounts are detailed in pages 33 – 35 in this Exhibit.

Account Balances

Table 9-1 contains account balances from the 2014 Audited Financial Statements as at December 31, 2014 and agrees to the 2014 year end balances for Reporting and Record Keeping Requirement ("RRR") filing 2.1.7 Trial Balance as filed April 30, 2015 with the OEB, with the exception of the accounts listed in the table and in '3. Appendix A' of the EDDVAR model. These variances are described in the section "Adjustments to Deferral and Variance Accounts" below.

Table 9-1 - December 31, 2014 Audited/RRR Balances – DVAs

Account Description	USoA	Principal with Jan-Apr/15 Projected Interest	Projected Interest Jan-Apr 2015	Balance December 31, 2014						
				Principal Dec 31/ 2014 *	Interest	Total	Balance per 2014 F/S	Variance	Balance per RRR 2.1.7	Variance
Group 1 Accounts										
LV Variance Account	1550	200,761	498	200,263	3,397	203,660	203,746	(86)	203,746	(86)
Smart Metering Entity Charge Variance Account	1551	22,263	158	22,105	884	22,988	22,988	0	22,988	0
RSVA - Wholesale Market Service Charge	1580	(1,103,517)	(4,538)	(1,098,979)	(18,197)	(1,117,176)	(1,117,176)	0	(1,117,176)	0
RSVA - Retail Transmission Network Charge	1584	(674,686)	(2,072)	(672,614)	(13,628)	(686,242)	(686,242)	(0)	(686,242)	(0)
RSVA - Retail Transmission Connection Charge	1586	(300,806)	(1,311)	(299,495)	(7,463)	(306,958)	(306,958)	0	(306,958)	0
RSVA - Power (excluding Global Adjustment)	1588	577,379	(2,268)	579,647	(4,570)	575,077	575,077	0	575,077	0
RSVA - Global Adjustment	1589	2,723,941	2,110	2,721,831	38,792	2,760,623	2,758,088	2,535	2,760,622	0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	2,285,850		2,285,850	(1,457,123)	828,727	828,886	(159)	828,727	(0)
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	(64,993)		(64,993)	151,494	86,501	86,501	(0)	86,501	(0)
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	625,899		625,899	(242,658)	383,241	383,242	(0)	383,242	(0)
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	268,029		268,029	(56,454)	211,575	211,575	(0)	211,575	(0)
Subtotal Group 1 Accounts				4,567,542	(1,605,526)	2,962,016	2,959,727	2,289	2,962,102	(86)
Group 2 Accounts										
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508			101,136	6,474	107,610	109,821	(2,211)	107,610	0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508			2,634	73	2,708	2,708	(1)	2,708	(1)
Other Regulatory Assets - Sub-Account - Other - OMERS Difference - 2011 COS Settlement Agreement Item	1508			74,677	-	74,677	26,367	48,310	74,677	0
Other Regulatory Assets - Sub-Account - Other - Capital Gain Variance - 2011 COS Settlement Agreement Item	1508			432,857	-	432,857	432,854	3	432,854	3
Retail Cost Variance Account - Retail	1518			(130,712)	(5,631)	(136,343)	(136,343)	(1)	(136,343)	(1)
Misc. Deferred Debits	1525			8,176		8,176	8,176	-	8,176	-
Renewable Generation Connection Capital Deferral Account	1531			-	-	-	9,728	(9,728)	-	-
Retail Cost Variance Account - STR	1548			(6,786)	(293)	(7,079)	(7,079)	(0)	(7,079)	(0)
PILs and Tax Variance for 2006 and Subsequent Years	1592			(53,367)	(2,428)	(55,796)	(55,795)	(0)	(55,795)	(0)
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592			(30,733)	(1,880)	(32,613)	-	(32,613)	-	(32,613)
Subtotal Group 2 Accounts				397,883	(3,686)	394,197	390,437	3,760	426,809	(32,611)
Other Accounts										
LRAM Variance Account	1568			368,010	10,514	378,525	378,525	(0)	378,525	(0)
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555			1,363,997	-	1,363,997	1,363,996	0	1,363,996	0
Accounting Changes Under CGAAP Balance + Return Component	1576			(797,247)		(797,247)	(754,419)	(42,829)	(750,884)	(46,363)
Subtotal Other Accounts				934,759	10,514	945,274	988,102	(42,828)	991,637	(46,363)

* Note this does not include Col BG of the EDDVAR Model for Group 1 Jan-Apr 2015 Interest

Adjustments to Deferral and Variance Accounts

Variance to 2014 Financial Statements and 2014 RRR 2.1.7 Trial Balance

WNH is providing explanations of the December 31, 2014 variances between the total claim in the EDDVAR model, WNH's 2014 Financial Statements and its RRR 2.1.7 Trial Balance filing that are reflected in Table 9-1 above. WNH notes any variances of \$1 to \$3 are differences due to rounding and are not further explained.

Low Voltage LV Variance USoA # 1550

The December 31, 2014 balance in the EDDVAR Model is \$86 lower than both the 2014 Financial Statements and 2014 RRR 2.1.7 Filing. This difference is due to an adjustment of interest to the correct balance.

RSVA Global Adjustment USoA # 1589

The December 31, 2014 balance in the EDDVAR Model is \$2,535 higher than the 2014 Financial Statements. This difference is due to an adjustment of interest to the correct balance. The balance in the EDDVAR Model agrees to the RRR 2.1.7 Filing.

Disposition and Recovery/Refund of Regulatory Balances (2010) USoA # 1595

The December 31, 2014 balance in the EDDVAR Model is \$159 lower than the 2014 Financial Statements. This difference is due to an adjustment to the correct principal balance. The balance in the EDDVAR Model agrees to the RRR 2.1.7 Filing.

Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs USoA # 1508

The December 31, 2014 balance in the EDDVAR Model is \$2,211 lower than the 2014 Financial Statements. This difference is due to removal of a 2014 cost incorrectly charged to this account and the related interest.

Other Regulatory Assets - Sub-Account - Other - OMERS Difference - 2011 COS Settlement Agreement Item USoA 1508

The December 31, 2014 balance in the EDDVAR Model is \$48,310 higher than the 2014 Financial Statements. This difference results from the 2013 Variance being recorded for in the DVAs for Regulatory purposes; however, it was not recorded in the Accounting records.

Renewable Generation Connection Capital Deferral Account USoA 1531

The December 31, 2014 balance in the EDDVAR Model is \$9,728 lower than the 2014 Financial Statements. This difference results from the removal of incorrectly charged costs to this account.

PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs) USoA 1592

The Board's December 2010 FAQ states:

"The offsetting entry will go to a new sub-account, which will be a contra account within Account 1592, PILs and Tax Variances for 2006 and Subsequent Years. For this purpose, the distributor would use "HST/OVAT Contra Account" of Account 1592 to record the offsetting entry to "Sub-account HST / OVAT Input Tax Credits (ITCs)". For regulatory reporting purposes, this will have a zero net effect on reporting (i.e., the sub-account balance net of the balance in the contra account will result in a zero balance). Only the balance in "Sub-account HST / OVAT Input Tax Credits (ITCs)" should be reported for disposition of the account balance, except for purposes of reporting under the Electricity Reporting & Record Keeping Requirements, which should include both sub-accounts netting to zero."

WNH has complied with the FAQ directions and has netted the accounts to zero for RRR purposes and has included the account balance in the EDDVAR model for proposed disposition. WNH notes that it has included 50% of the amount in this account, which agrees to the Board's tax sharing policy for this account.

Accounting Changes under CGAAP - Account 1576

The balance in the EDDVAR model differs from the 2014 Financial Statements due to decreasing the 2014 Overhead component of this account by \$3,354 to the correct balance and an increase of the \$49,631 Return on Rate Base Associated with Account 1576 balance. The variance between the EDDVAR model and the RRR 2.1.7 Filing is due to the \$49,631 Return on Rate Base Associated with Account 1576 balance.

Interest Rates Applied

Table 9-2 provides the interest rates that have been used to calculate actual and forecasted carrying charges on the accounts in accordance with the methodology approved by the Board in *EB-2007-0117* on November 28, 2007.

Table 9-2 - Interest Rates Applied to Deferral and Variance Accounts

Period	Rate
Carrying Charge Rate Jan 1, 2009 - Mar 31, 2009	2.45%
Carrying Charge Rate Apr 1, 2009 - Jun 30, 2009	1.00%
Carrying Charge Rate Jul 1, 2009 - Jun 30, 2010	0.55%
Carrying Charge Rate Jul 1, 2010 - Sep 30, 2010	0.89%
Carrying Charge Rate Oct 1, 2010 - Dec 31, 2010	1.20%
Carrying Charge Rate Jan 1, 2011 - Mar 31, 2015	1.47%
Carrying Charge Rate Apr 1, 2015 - Dec 31, 2015	1.10%

Energy Sales and Cost of Power

The sale of energy is a flow through revenue and the cost of power is a flow through expense. Energy Sales and the Cost of Power Expenses by component are presented in Table 9-3 as reported in the Audited Financial Statements and the USoA within the RRR filing 2.1.7. As WNH noted above, the December 31, 2014 balance in the EDDVAR Model is \$2,535 higher than the 2014 Financial Statements. This difference is due to an adjustment of interest to the correct balance. The balance in the EDDVAR Model agrees to the RRR 2.1.7 Filing. WNH has no profit or loss resulting from the flow

through of energy revenues and expenses. Any temporary variances are included in the RSVA balances.

Table 9-3 – Energy Revenue and Cost of Power Expenses

USoA	Description	Actual			
		2011	2012	2013	2014
Energy Revenues					
4006	Residential Energy Sales	(28,144,184)	(32,456,191)	(34,291,060)	(37,904,342)
4020	Energy Sales to Large Users	(2,975,386)	(5,534,774)	(7,134,643)	(7,548,453)
4025	Street Lighting Energy Sales	(548,403)	(525,449)	(643,493)	(698,088)
4035	General Energy Sales	(64,235,027)	(70,268,405)	(80,015,651)	(82,211,492)
4055	Energy Sales for Resale	(9,586,725)	(4,344,276)	(3,489,637)	(4,916,125)
4062	Wholesale Market Services	(8,231,026)		(7,796,237)	(8,270,531)
4066	Network	(8,693,011)	(7,665,310)	(10,097,558)	(10,190,385)
4068	Connection	(2,945,575)	(9,846,562)	(2,956,151)	(3,103,698)
4075	Low Voltage Charges	(148,644)	(3,070,324)	(169,009)	(166,755)
4076	Billed – Smart Metering Entity Charge		(170,109)	(336,689)	(499,103)
Total		(125,507,981)	(133,881,400)	(146,930,128)	(155,508,973)

USoA	Description	Actual			
		2011	2012	2013	2014
Cost of Power Expenses					
4705 & 4707	Power Purchased	105,489,725	113,129,095	125,574,419	133,278,477
4708	Wholesale Market Services	8,231,026	7,665,310	7,796,237	8,270,531
4714	Network	8,693,011	9,846,562	10,097,608	10,190,402
4716	Connection	2,945,575	3,070,324	2,956,166	3,103,703
4750	Low Voltage Charges	148,644	170,109	169,009	166,755
4751	Smart Metering Entity Charge	-	-	336,689	499,103
Total		125,507,981	133,881,400	146,930,128	155,508,973

2.12.1 PILS and Tax Variance for 2006 and Subsequent Years - Account 1592

The amount recorded in this account reflects the estimated impact of the change in the CCA rates used in setting the 2006 EDR rates. In WNH's 2011 COS it stated that it was WNH's understanding that a methodology for the CCA changes has not yet been determined and WNH has calculated a proxy and would adjust any necessary calculations when a methodology had been established. The 1592 account was approved for clearance in the 2011 COS for balances to December 31, 2009. WNH previously cleared the balance in this account in its 2011 COS Filing for balances to December 31, 2009. The balance claimed in EDDVAR is for the period January 1, 2010 to April 30, 2011. These differences did not exist after the rates were set in the 2011

COS as the rates were set then with the current rate and CCA class in the PILs model. WNH has provided below in Table 9-4 a reconciliation of this account in the format of Appendix 2-TA.

WNH did not have any Large Corporation Tax (LCT) included in its approved May 1, 2005 rate order; thus, no removal was required with the cessation of the tax in January 1, 2006. Thus, the direction provided in recording LCT tax in USoA 1562 and 1592 addressed in the July 2007 FAQ is not required in this Application.

Table 9-4 PILs and Tax Variance for 2006 and Subsequent Years USoA 1592

Tax Item	Principal as of December 31, 2014
Capital Cost Allowance class changes from 2006 EDR application for 2010	(39,416)
Capital Cost Allowance class changes from 2006 EDR application for 2011	(13,178)
Total per Appendix 2-TA, Balance prior to Interest	(52,594)
Interest at December 31, 2014	(3,202)
Total Balance at December 31, 2014 per EDDVAR Model, 2014 2.1.7 & Audited Financial Statements	(55,796)
Projected Interest January - December 2015	(636)
Total Claim in EDDVAR Model	(56,432)

The calculations of the Capital Cost Allowance Class Changes are detailed in Table 9-5 below.

Table 9-5 PILs and Tax Variance for 2006 and Subsequent Years USoA 1592 – Detailed Calculation of Principal Balance

Details	2008	2009	2010	Jan-Apr 2011	Total
	Class 47/1	Class 47/1	Class 47/1	Class 47/1	
2006 EDR Amount Base Amount - test year Addition at 1/2 year rule					
Per Sched 8, Class 1 2004 Addns were **	4,374,734				
Less: 1/2 year rule	<u>2,187,367</u>				
	2,187,367				
Add Tier 1 Addition at 1/2 year	332,500				
	<u>2,519,867</u>				
2007 IPI - X 0.90%	2,542,546				
2008 IPI - X -0.70%	<u>2,524,748</u>				
2009 IPI - X 1.30%		2,557,570			
2010 IPI - X 0.30%			2,565,242		
2011 - use 2010				<u>2,572,938</u>	
Take 4% of Base as Difference 4.00%	100,990	102,303	102,610	102,918	
Tax Rate 2008 In rates 33.5%	(33,832)				
2009 In rates 33.0%		(33,760)			
2010 In rates 30.99%			(31,799)		
2011 Use 2010, x 4/12 30.99%				(10,631)	
	Class 50/10				
2006 EDR Amount Base Amount - test year					
2004 Additions					
PerTx Return					
Split: Vehicles 397,554					
Computer Hardware 193,156	193,156				
Agrees to 2004 Schedule 8 <u>590,709</u>					
Apply the 1/2 year rule	96,578				
2007 IPI - X 0.90%	97,447				
2008 IPI - X -0.70%	<u>96,765</u>				
2009 IPI - X 1.30%		98,023	-		
2010 IPI - X 0.30%			98,317		
2011 - use 2010				<u>98,612</u>	
Take 25% of Base as Differer (55% tx vs 30% rates) 25.00%	24,191	24,506	24,579	24,653	
Tax Rate 2008 In rates 33.5%	(8,104)				
2009 In rates 33.0%		(8,087)			
2010 In rates 30.99%			(7,617)		
2011 Use 2010, x 4/12 30.99%				(2,547)	
Board Approved Disposition in 2011 COS	(41,936)	(41,847)	(39,416)	(13,178)	(136,376)
	41,936	41,847			83,783
Balance, December 31, 2014 Before Interest	-	-	(39,416)	(13,178)	(52,594)

** Class 1 additions and Class 1 UCC at Dec 31/04 agree to 'Test Year Sch 8 and 10 UCC & CEC' in 2006 EDR

2.12.2 Harmonized Sales Tax Deferral Account

During the 2010 IRM application process, the Board directed electricity distributors to record in the deferral account 1592 (PILs and Tax Variances for 2006 and subsequent years, Sub-account HST/OVAT ITCs), beginning July 1, 2010, the incremental ITCs received on distribution revenue requirement items that were previously subject to PST and became subject to HST. Board Policy states that 50% of the Savings are to be shared with the customers.

WNH has detailed its calculations of the PILs and Tax Variance for 2006 and Subsequent Years – Sub-Account HST ITCs, in the format of Appendix 2-TB, in Table 9-6 below. In the EDDVAR Model, WNH has included 50% of the PST Savings in the EDDVAR Model and in Table 9-6 below.

Table 9-6 PILs and Tax Variance – Sub-Account HST ITCs

Details	Principal July - Dec 2010	Carrying Charges to December 31, 2015	Total Account 1592, sub-account HST/OVAT Balance
OM&A Expenses PST Savings	(46,346)		(46,346)
Capital Items PST Savings	(15,121)		(15,121)
Total Annual PST Savings	(61,467)	-	(61,467)
50% Shared with Customers	(30,733)	-	(30,733)
Interest to December 2014	-	(1,880)	(1,880)
Balance Annual PST Savings Dec 2014	(30,733)	(1,880)	(32,613)
Projected 2015 Interest		(366)	(366)
Balance per EDDVAR Model	(30,733)	(2,246)	(32,980)

In WNH's 2011 COS it stated on Exhibit 2 page 36 of its Application *"Any PST/HST impacts have been removed from operating and capital costs in 2011, any impacts for 2010 are captured in the Board ordered Deferral Account (EB-2009-0210)."* WNH, thus, is submitting is July to December 2010 PST impacts.

WNH did not perform the simplified calculation detailed in the Board's December 2010 FAQ, instead WNH tracked the actual PST component of all applicable costs in the period July to December 2010 period and the details are provided in Table 9-7 below.

1

Table 9-7 Details of PST Savings

PST Avoided July - Dec 2010		Capital	OM&A	Total
Direct Acquisitions		192,010	37,091	
Inventory		174,557	4,684	
Trucking		11,448	4,571	
		378,015	46,346	
		-	-	
Estimated # Years Depreciation	25	15,121		
Net Capital 2010		362,895		
USoA #1592 PILs/PST, Dec 2014		15,121	46,346	61,467
50% Shared with Customers				30,733

2 **2.12.3 One-Time Incremental IFRS Costs**

3

4 WNH has detailed its One-Time Incremental IFRS Transition Costs in Table 9-22 which
5 provides a summary of these incremental costs and is consistent with Board
6 Appendix 2-U.

7

8 *Professional & Accounting Fees*

9

10 WNH retained the services of KPMG to conduct an IFRS impact assessment and
11 outline action plans and next steps in preparation of the anticipated transition to IFRS.
12 KPMG assisted with determining the level of Property, Plant and Equipment ("PP&E")
13 componentization required under IFRS, establishing updated useful lives referencing
14 the Kinectrics Report and examining changes to overhead capitalization as part of the
15 planned conversion to MIFRS. A significant amount of analysis was done with regards
16 to asset componentization and the related impacts on depreciation, as well as
17 overheads eligible for capitalization.

1 *IT Consultants*

2
3 WNH retained the services of a contractor to assist in the construction of automated
4 routines to convert GAAP accounting entries to IFRS. This initiative provided WNH's
5 Finance Department with a comparison of GAAP to IFRS.

6
7 WNH has not included any one-time administrative incremental IFRS transition costs in
8 its 2016 revenue requirement.

9
10 WNH confirms that no capital costs, ongoing IFRS compliance costs, or impacts arising
11 from adopting accounting policy changes are recorded in Account 1508 Other
12 Regulatory Assets, sub-account Deferred IFRS Transition Costs.

13
14 **2.12.4 Account 1575, IFRS-CGAAP Transitional PP&E Amounts**

15
16 WNH does not have any material transactions upon transition to IFRS, beyond those
17 related to overhead capitalization and depreciation changes which are captured in
18 USoA 1576, to record in USoA 1575, thus, has not completed Appendix 2-EA.

19
20 **2.12.5 Account 1576, Accounting Changes under CGAAP**

21
22 In Exhibit 2 of this Application, WNH identified changes to the value of its PP&E, as a
23 result of the accounting changes to depreciation expense and capitalization policies. On
24 July 17, 2013 the Board issued a statement that changes to depreciation rates and
25 capitalization policies that would have been implemented under IFRS could be made in
26 2012 under CGAAP (i.e. effective January 1, 2012), and must be made no later than
27 2013 (i.e. effective January 1, 2013), regardless of whether the Canadian Accounting
28 Standards Board ("AcSB") permitted further deferrals beyond 2013 for the changeover
29 to IFRS (Board Letter, July 17, 2013 "*Regulatory accounting policy direction regarding*
30 *changes to depreciation expense and capitalization policies in 2013 and 2014*"). WNH
31 implemented the change effective January 1st, 2013. WNH incorporated the impact of
32 these changes for 2013, 2014 and 2015. In accordance with direction by the Board,

1 WNH has used Account 1576, Accounting Changes under CGAAP, to record the
2 financial differences arising from these accounting changes.

3
4 KPMG assisted with determining the level of PP&E componentization required under
5 IFRS, establishing updated useful lives referencing the Kinectrics report and examining
6 changes to overhead capitalization that were required as part of the planned conversion
7 to MIFRS. A description of WNH's capitalization policy, including the overhead policy,
8 can be found in Exhibit 2 of this Application.

9
10 A significant amount of analysis was done with regards to asset componentization and
11 the related impacts on depreciation, including reassessing the remaining useful service
12 lives of all distribution system assets. As a result of the changes to depreciation, WNH
13 has recorded a significantly lower depreciation expense for the 2013 through 2015; the
14 difference between the depreciation calculated with the prior service lives and the
15 amount recognized in the income statement for the fiscal periods 2013, 2014, and 2015
16 has been recorded in Account 1576.

17
18 KPMG assisted WNH in determining which overheads were eligible or not eligible for
19 capitalization. In each of 2013, 2014 and 2015 the Overhead accounts were examined
20 in detail. WNH traced all appropriate labour or equipment hours, as well as material,
21 that previously would have had overheads attached to them and determined the amount
22 that was incremental to OM&A due to the overhead policy change. In 2015, the same
23 labour percentages as 2014 actuals were applied; stores and materials were allocated
24 based on budgeted percentages.

25
26 WNH's PP&E including WIP is expected to decrease by \$803,813 as of December 31,
27 2015 as a result of these changes and is detailed in Table 9-8 below.

WNH notes that the 2015 depreciation difference between 'Old' CGAAP and Revised CGAAP decreased approximately \$235,000 from 2014. This was a result of a number of capital items that became fully depreciated at 25 years for 'Old' CGAAP, although their useful lives in Revised CGAAP had been extended during the capitalization review process. The capital items are spread among many asset classes.

WNH notes that it has recorded the depreciation on a net basis as is required and in 2014 the transfer of Stranded Meters from USoA # 1860 Meters to USoA # 1555 Smart Meter Deferral account has resulted in a lower than normal depreciation shown in Table 9-8.

WNH has calculated the value of the lost WIP as per the PowerStream Decision *EB-2012-0161* in the amount of \$41,910.

Table 9-8 - Impact of Accounting Changes to PP&E – Prior to Return

Description	2013 Actual	2014 Actual	2015 Forecast
PP&E Values Assuming "Old" CGAAP Accounting Policies Continued			
Opening Net PPE	164,787,950	174,237,462	182,269,723
Additions (net)	20,339,324	13,206,059	18,066,595
Depreciation (net)	(10,889,812)	(5,173,797)	(10,709,504)
Closing Net PP&E	174,237,462	182,269,723	189,626,814
PP&E Values Assuming Accounting "Revised" Changes under GAAP in 2013			
Opening net PPE	164,787,950	174,590,342	183,020,608
Additions (net)	17,881,164	11,001,407	15,751,658
Depreciation (net)	(8,078,771)	(2,571,142)	(8,341,639)
Closing Net PP&E	174,590,342	183,020,608	190,430,627
Difference in Closing net PP&E	(352,881)	(750,884)	(803,813)
Variance Account 1576			
Opening Balance	-	(352,881)	(750,884)
Amount Added	(352,881)	(398,004)	(52,929)
Closing Balance in Deferral Account	(352,881)	(750,884)	(803,813)
Notational: Change in Depreciation	(2,811,041)	(2,602,655)	(2,367,865)
Overheads - Charges to OM&A due to Overhead Capitalization Policy Change			
Department	2013 Actual	2014 Actual	2015 Forecast
Eng	1,226,152	1,100,602	1,026,570
Ops Admin	387,707	428,679	476,545
Purchasing & Inventory/Stores	299,596	217,948	349,835
Fleet	355,047	186,412	185,476
Loss Prevention	231,566	271,010	276,511
Remove Tax Portion of 2013 WIP CGAAP Overhead Difference Reference EB-2012-0161	(41,910)	-	-
Total Charges to OM&A due to Overhead Capitalization Change	2,458,160	2,204,651	2,314,937

1 The application of the accounting policies change began in 2013, the year in which the
2 accounting change occurred. This is evident in the continuity schedules provided in
3 Table 9-9 and 9-10 below as the Fixed Asset Continuity Schedules for CGAAP and
4 Revised CGAAP for 2013 confirm that opening balances for cost and accumulated
5 depreciation are the same. These tables are consistent with Board Appendix 2-BA.
6 Tables 9-11 to 9-14 provide Fixed Asset Continuity Schedules under CGAAP and
7 MIFRS for 2014 and 2015.

8

9 **Table 9-9 Fixed Asset Continuity Schedule 2013 'Old' CGA**

OEB	Description	Cost				Accumulated Depreciation				Net Book Value
		Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
1611	Computer Software (Formally known as Account 1925)	5,407,634	342,714		5,750,348	(4,269,673)	(524,708)		(4,794,382)	955,966
1612	Land Rights (Formally known as Account 1806)	510,696	43,423		554,119	-	-		-	554,119
1805	Land	2,323,796			2,323,796	-	-		-	2,323,796
1808	Buildings	28,987,662	589,011		29,576,672	(1,487,578)	(594,767)		(2,082,345)	27,494,327
1810	Leasehold Improvements	-			-	-	-		-	-
1815	Transformer Station Equipment >50 kV	31,230,359	531,484		31,761,843	(9,470,851)	(772,626)		(10,243,477)	21,518,366
1820	Distribution Station Equipment <50 kV	4,811,797	425,404		5,237,201	(3,276,048)	(105,318)		(3,381,366)	1,855,835
1825	Storage Battery Equipment				-	-	-		-	-
1830	Poles, Towers & Fixtures	55,022,226	5,621,083		60,643,309	(22,913,961)	(2,110,312)		(25,024,273)	35,619,036
1835	Overhead Conductors & Devices	27,072,749	3,938,300		31,011,049	(9,306,987)	(1,116,444)		(10,423,431)	20,587,619
1840	Underground Conduit	15,510,774	1,053,089		16,563,863	(7,734,673)	(564,995)		(8,299,669)	8,264,195
1845	Underground Conductors & Devices	35,032,055	2,625,458		37,657,513	(17,644,654)	(1,323,625)		(18,968,279)	18,689,235
1850	Line Transformers	48,052,253	3,346,546		51,398,799	(21,116,896)	(1,793,180)		(22,910,076)	28,488,723
1855	Services (Overhead & Underground)	22,829,581	1,453,141		24,282,722	(11,790,245)	(808,933)		(12,599,178)	11,683,544
1860	Meters	12,154,026	809,494		12,963,520	(7,924,509)	(535,570)		(8,460,079)	4,503,441
1860	Meters (Smart Meters)	6,265,880			6,265,880	-	(505,137)		(505,137)	5,760,743
1905	Land				-	-	-		-	-
1908	Buildings & Fixtures				-	-	-		-	-
1910	Leasehold Improvements				-	-	-		-	-
1915	Office Furniture & Equipment (10 years)	1,757,548	19,537	(231,777)	1,545,307	(864,386)	(106,927)	170,500	(800,813)	744,494
1915	Office Furniture & Equipment (5 years)				-	-	2,500		2,500	2,500
1920	Computer Equipment - Hardware				-	-	-		-	-
1920	Computer Equip.-Hardware(Post Mar. 22/04)				-	-	-		-	-
1920	Computer Equip.-Hardware(Post Mar. 19/07)	3,815,382	112,736		3,928,118	(3,342,372)	(229,634)		(3,572,006)	356,112
1930	Transportation Equipment	7,465,135	911,991	(107,383)	8,269,742	(5,221,431)	(639,164)	107,383	(5,753,212)	2,516,530
1935	Stores Equipment	533,925	8,581		542,506	(193,806)	(46,942)		(240,748)	301,758
1940	Tools, Shop & Garage Equipment	1,182,142	81,737	(36,180)	1,227,700	(692,395)	(145,992)	19,113	(819,275)	408,425
1945	Measurement & Testing Equipment	891,281	4,726		896,007	(650,909)	(52,997)		(703,906)	192,102
1950	Power Operated Equipment				-	-	-		-	-
1955	Communications Equipment	902,458	8,031		910,489	(329,641)	(85,960)		(415,601)	494,888
1955	Communication Equipment (Smart Meters)				-	-	-		-	-
1960	Miscellaneous Equipment	2,563,676	17,608	(22,108)	2,559,176	(1,008,989)	(211,707)	16,788	(1,203,908)	1,355,268
1970	Load Management Controls Customer Premises				-	-	-		-	-
1975	Load Management Controls Utility Premises				-	-	-		-	-
1980	System Supervisor Equipment	3,949,135	465,383		4,414,517	(2,311,566)	(204,791)		(2,516,358)	1,898,160
1985	Miscellaneous Fixed Assets				-	-	-		-	-
1990	Other Tangible Property				-	-	-		-	-
1995	Contributions & Grants	(30,158,715)	(1,672,705)		(31,831,420)	8,226,066	1,273,635		9,499,701	(22,331,719)
2440	Deferred Revenues				-	-	-		-	-
	Sub-Total	288,113,454	20,736,771	(397,448)	308,452,778	(123,325,504)	(11,203,595)	313,783	(134,215,316)	174,237,462
	Less Socialized Renewable Energy Generation Investments (input as negative)				-				-	-
	Less Other Non Rate-Regulated Utility Assets (input as negative)				-				-	-
	Total PP&E	288,113,454	20,736,771	(397,448)	308,452,778	(123,325,504)	(11,203,595)	313,783	(134,215,316)	174,237,462
	Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable									
	Total						(11,203,595)			

	Transportation
	Truck Tools
	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	(368,941)
Truck Tools	(196,252)
Stores Equipment	(46,942)
Net Depreciation	(10,591,460)

1 **Table 9-10 Fixed Asset Continuity Schedule 2013 Revised CGAAP**

CCA Class	OEB	Description	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
12	1611	Computer Software (Formally known as Account 1925)	5,407,634	342,714		5,750,348	(4,269,673)	(535,469)		(4,805,143)	945,205
CEC	1612	Land Rights (Formally known as Account 1806)	510,696	43,423		554,119	-	-		-	554,119
N/A	1805	Land	2,323,796			2,323,796	-	-		-	2,323,796
CEC	1808	Buildings	28,987,662	589,011		29,576,672	(1,487,578)	(819,730)		(2,307,308)	27,269,365
47	1810	Leasehold Improvements	-			-	-	-		-	-
13	1815	Transformer Station Equipment >50 kV	31,230,359	531,484		31,761,843	(9,470,851)	(1,307,488)		(10,778,339)	20,983,504
47	1820	Distribution Station Equipment <50 kV	4,811,797	425,404		5,237,201	(3,276,048)	(132,757)		(3,408,805)	1,828,396
47	1825	Storage Battery Equipment				-	-	-		-	-
47	1830	Poles, Towers & Fixtures	55,022,226	4,855,044		59,877,270	(22,913,961)	(946,536)		(23,860,497)	36,016,773
47	1835	Overhead Conductors & Devices	27,072,749	3,401,590		30,474,339	(9,306,987)	(579,778)		(9,886,765)	20,587,575
47	1840	Underground Conduit	15,510,774	909,575		16,420,349	(7,734,673)	(205,572)		(7,940,245)	8,480,104
47	1845	Underground Conductors & Devices	35,032,055	2,267,662		37,299,717	(17,644,654)	(798,336)		(18,442,990)	18,856,727
47	1850	Line Transformers	48,052,253	2,890,480		50,942,733	(21,116,896)	(897,220)		(22,014,116)	28,928,617
47	1855	Services (Overhead & Underground)	22,829,581	1,255,108		24,084,688	(11,790,245)	(304,826)		(12,095,071)	11,989,618
47	1860	Meters	12,154,026	809,494		12,963,520	(7,924,509)	(535,570)		(8,460,079)	4,503,441
47	1860	Meters (Smart Meters)	6,265,880			6,265,880	-	(541,656)		(541,656)	5,724,224
N/A	1905	Land				-	-	-		-	-
N/A	1908	Buildings & Fixtures				-	-	-		-	-
CEC	1910	Leasehold Improvements				-	-	-		-	-
47	1915	Office Furniture & Equipment (10 years)	1,757,548	19,537	(231,777)	1,545,307	(864,386)	(106,927)	170,500	(800,813)	744,494
13	1915	Office Furniture & Equipment (5 years)				-	-	-		-	-
8	1920	Computer Equipment - Hardware				-	-	-		-	-
10	1920	Computer Equip.-Hardware(Post Mar. 22/04)				-	-	-		-	-
12	1920	Computer Equip.-Hardware(Post Mar. 19/07)	3,815,382	112,736		3,928,118	(3,342,372)	(200,839)		(3,543,212)	384,907
10	1930	Transportation Equipment	7,465,135	911,991	(107,383)	8,269,742	(5,221,431)	(368,941)	107,383	(5,482,989)	2,786,753
8	1935	Stores Equipment	533,925	8,581		542,506	(193,806)	(46,942)		(240,748)	301,758
8	1940	Tools, Shop & Garage Equipment	1,182,142	81,737	(36,180)	1,227,700	(692,395)	(196,252)	19,113	(869,535)	358,165
8	1945	Measurement & Testing Equipment	891,281	4,726		896,007	(650,909)	(68,859)		(719,768)	176,239
8	1950	Power Operated Equipment				-	-	-		-	-
8	1955	Communications Equipment	902,458	8,031		910,489	(329,641)	(93,972)		(423,612)	486,877
8	1955	Communication Equipment (Smart Meters)				-	-	-		-	-
47	1960	Miscellaneous Equipment	2,563,676	17,608	(22,108)	2,559,176	(1,008,989)	(238,202)	16,788	(1,230,403)	1,328,773
47	1970	Load Management Controls Customer Premises				-	-	-		-	-
47	1975	Load Management Controls Utility Premises				-	-	-		-	-
47	1980	System Supervisor Equipment	3,949,135	465,383		4,414,517	(2,311,566)	(207,899)		(2,519,466)	1,895,052
47	1985	Miscellaneous Fixed Assets				-	-	-		-	-
47	1990	Other Tangible Property				-	-	-		-	-
47	1995	Contributions & Grants	(30,158,715)	(1,672,705)		(31,831,420)	8,226,066	741,216		8,967,282	(22,864,138)
47	2440	Deferred Revenue ⁵				\$ -				\$ -	\$ -
		Sub-Total	288,113,454	18,278,612	(397,448)	305,994,618	(123,325,504)	(8,392,554)	313,783	(131,404,276)	174,590,342
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -
		Total PP&E	288,113,454	18,278,612	(397,448)	305,994,618	(123,325,504)	(8,392,554)	313,783	(131,404,276)	174,590,342
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable ⁶									
		Total						(8,392,554)			

10	Transportation
10	
8	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	(368,941)
Truck Tools	(196,252)
Stores Equipment	(46,942)
Net Depreciation	(7,780,420)

1

Table 9-11 Fixed Asset Continuity Schedule 2014 'Old' CGAAP

CCA Class	OEB	Description	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
12	1611	Computer Software (Formally known as Account 1925)	5,750,348	362,002		6,112,349	(4,794,382)	(474,902)	-	(5,269,284)	843,066
CEC	1612	Land Rights (Formally known as Account 1806)	554,119	99,902		654,021	-	-	-	-	654,021
N/A	1805	Land	2,323,796			2,323,796	-	-	-	-	2,323,796
CEC	1808	Buildings	29,576,672	726,502		30,303,174	(2,082,345)	(597,885)	-	(2,680,230)	27,622,944
47	1810	Leasehold Improvements	-			-	-	-	-	-	-
13	1815	Transformer Station Equipment >50 kV	31,761,843	194,308		31,956,150	(10,243,477)	(782,706)	-	(11,026,183)	20,929,968
47	1820	Distribution Station Equipment <50 kV	5,237,201	160,850		5,398,050	(3,381,366)	(157,066)	-	(3,538,432)	1,859,618
47	1825	Storage Battery Equipment	-			-	-	-	-	-	-
47	1830	Poles, Towers & Fixtures	60,643,309	5,708,730		66,352,038	(25,024,273)	(2,192,112)	-	(27,216,385)	39,135,653
47	1835	Overhead Conductors & Devices	31,011,049	4,556,836		35,567,886	(10,423,431)	(1,237,713)	-	(11,661,143)	23,906,742
47	1840	Underground Conduit	16,563,863	1,080,901		17,644,765	(8,299,669)	(565,087)	-	(8,864,756)	8,780,009
47	1845	Underground Conductors & Devices	37,657,513	1,953,319		39,610,832	(18,968,279)	(1,298,536)	-	(20,266,815)	19,344,017
47	1850	Line Transformers	51,398,799	3,370,401		54,769,200	(22,910,076)	(1,834,762)	-	(24,744,838)	30,024,362
47	1855	Services (Overhead & Underground)	24,282,722	1,464,272		25,746,993	(12,599,178)	(797,347)	-	(13,396,525)	12,350,469
47	1860	Meters	12,963,520	569,728	(6,652,977)	6,880,271	(8,460,079)	(40,807)	5,287,642	(3,213,244)	3,667,027
47	1860	Meters (Smart Meters)	6,265,880			6,265,880	(505,137)	(541,563)	-	(1,046,700)	5,219,180
N/A	1905	Land	-			-	-	-	-	-	-
N/A	1908	Buildings & Fixtures	-			-	-	-	-	-	-
CEC	1910	Leasehold Improvements	-			-	-	-	-	-	-
47	1915	Office Furniture & Equipment (10 years)	1,545,307	22,322		1,567,630	(800,813)	(106,660)	-	(907,473)	660,157
13	1915	Office Furniture & Equipment (5 years)	-			-	2,500	-	-	2,500	2,500
8	1920	Computer Equipment - Hardware	-			-	-	-	-	-	-
10	1920	Computer Equip.-Hardware(Post Mar. 22/04)	-			-	-	-	-	-	-
12	1920	Computer Equip.-Hardware(Post Mar. 19/07)	3,928,118	127,191		4,055,309	(3,572,006)	(185,282)	-	(3,757,288)	298,021
10	1930	Transportation Equipment	8,269,742	1,032,897	(446,378)	8,856,261	(5,753,212)	(742,259)	439,069	(6,056,402)	2,799,859
8	1935	Stores Equipment	542,506	-		542,506	(240,748)	(46,942)	-	(287,690)	254,816
8	1940	Tools, Shop & Garage Equipment	1,227,700	116,661		1,344,361	(819,275)	(104,160)	-	(923,435)	420,927
8	1945	Measurement & Testing Equipment	896,007	36,197		932,204	(703,906)	(42,516)	-	(746,422)	185,782
8	1950	Power Operated Equipment	-			-	-	-	-	-	-
8	1955	Communications Equipment	910,489	19,274		929,763	(415,601)	(83,375)	-	(498,976)	430,787
8	1955	Communication Equipment (Smart Meters)	-			-	-	-	-	-	-
47	1960	Miscellaneous Equipment	2,559,176	35,224		2,594,400	(1,203,908)	(215,075)	-	(1,418,983)	1,175,417
47	1970	Load Management Controls Customer Premises	-			-	-	-	-	-	-
47	1975	Load Management Controls Utility Premises	-			-	-	-	-	-	-
47	1980	System Supervisor Equipment	4,414,517	261,141		4,675,659	(2,516,358)	(191,117)	-	(2,707,475)	1,968,184
47	1985	Miscellaneous Fixed Assets	-			-	-	-	-	-	-
47	1990	Other Tangible Property	-			-	-	-	-	-	-
47	1995	Contributions & Grants	(31,831,420)	(1,593,244)		(33,424,664)	9,499,701	1,337,365	-	10,837,065	(22,587,599)
47	2440	Deferred Revenue	-			-	-	-	-	-	-
		Sub-Total	308,452,778	20,305,413	(7,099,355)	321,658,836	(134,215,316)	(10,900,508)	5,726,711	(139,389,113)	182,269,723
		Less Socialized Renewable Energy Generation Investments (input as negative)				-				-	-
		Less Other Non Rate-Regulated Utility Assets (input as negative)				-				-	-
		Total PP&E	308,452,778	20,305,413	(7,099,355)	321,658,836	(134,215,316)	(10,900,508)	5,726,711	(139,389,113)	182,269,723
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable									
		Total						(10,900,508)			

10	Transportation
10	Truck Tools
8	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	(484,213)
Truck Tools	(143,890)
Stores Equipment	(46,942)
Net Depreciation	(10,225,464)

1

Table 9-12 Fixed Asset Continuity Schedule 2014 MIFRS

CCA Class	OEB	Description	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
12	1611	Computer Software (Formally known as Account 1925)	5,750,348	362,002		6,112,349	(4,805,143)	(479,831)	-	(5,284,974)	827,375
CEC	1612	Land Rights (Formally known as Account 1806)	554,119	99,902		654,021	-	-	-	-	654,021
N/A	1805	Land	2,323,796			2,323,796	-	-	-	-	2,323,796
CEC	1808	Buildings	29,576,672	726,502		30,303,174	(2,307,308)	(834,772)	-	(3,142,079)	27,161,094
47	1810	Leasehold Improvements	-	-		-	-	-	-	-	-
13	1815	Transformer Station Equipment >50 kV	31,761,843	194,308		31,956,150	(10,778,339)	(1,298,965)	-	(12,077,303)	19,878,847
47	1820	Distribution Station Equipment <50 kV	5,237,201	160,850		5,398,050	(3,408,805)	(165,694)	-	(3,574,499)	1,823,551
47	1825	Storage Battery Equipment	-	-		-	-	-	-	-	-
47	1830	Poles, Towers & Fixtures	59,877,270	4,965,069		64,842,339	(23,860,497)	(1,056,871)	-	(24,917,368)	39,924,971
47	1835	Overhead Conductors & Devices	30,474,339	4,052,486		34,526,826	(9,886,765)	(711,784)	-	(10,598,549)	23,928,277
47	1840	Underground Conduit	16,420,349	949,493		17,369,842	(7,940,245)	(224,524)	-	(8,164,769)	9,205,073
47	1845	Underground Conductors & Devices	37,299,717	1,715,849		39,015,566	(18,442,990)	(809,522)	-	(19,252,512)	19,763,054
47	1850	Line Transformers	50,942,733	2,960,653		53,903,386	(22,014,116)	(1,005,298)	-	(23,019,414)	30,883,972
47	1855	Services (Overhead & Underground)	24,084,688	1,286,256		25,370,945	(12,095,071)	(331,589)	-	(12,426,660)	12,944,285
47	1860	Meters	12,963,520	569,728	(6,652,977)	6,880,271	(8,460,079)	(77,384)	5,287,642	(3,249,821)	3,630,450
47	1860	Meters (Smart Meters)	6,265,880			6,265,880	(541,656)	(541,563)	-	(1,083,219)	5,182,661
N/A	1905	Land	-	-		-	-	-	-	-	-
N/A	1908	Buildings & Fixtures	-	-		-	-	-	-	-	-
CEC	1910	Leasehold Improvements	-	-		-	-	-	-	-	-
47	1915	Office Furniture & Equipment (10 years)	1,545,307	22,322		1,567,630	(800,813)	(109,160)	-	(909,973)	657,657
13	1915	Office Furniture & Equipment (5 years)	-	-		-	-	-	-	-	-
8	1920	Computer Equipment - Hardware	-	-		-	-	-	-	-	-
10	1920	Computer Equip.-Hardware(Post Mar. 22/04)	-	-		-	-	-	-	-	-
12	1920	Computer Equip.-Hardware(Post Mar. 19/07)	3,928,118	127,191		4,055,309	(3,543,212)	(178,627)	-	(3,721,839)	333,470
10	1930	Transportation Equipment	8,269,742	1,032,897	(446,378)	8,856,261	(5,482,989)	(484,213)	439,069	(5,528,133)	3,328,128
8	1935	Stores Equipment	542,506	-		542,506	(240,748)	(46,942)	-	(287,690)	254,816
8	1940	Tools, Shop & Garage Equipment	1,227,700	116,661		1,344,361	(869,535)	(143,890)	-	(1,013,424)	330,937
8	1945	Measurement & Testing Equipment	896,007	36,197		932,204	(719,768)	(52,571)	-	(772,339)	159,865
8	1950	Power Operated Equipment	-	-		-	-	-	-	-	-
8	1955	Communications Equipment	910,489	19,274		929,763	(423,612)	(91,386)	-	(514,999)	414,764
8	1955	Communication Equipment (Smart Meters)	-	-		-	-	-	-	-	-
47	1960	Miscellaneous Equipment	2,559,176	35,224		2,594,400	(1,230,403)	(241,511)	-	(1,471,915)	1,122,485
47	1970	Load Management Controls Customer Premises	-	-		-	-	-	-	-	-
47	1975	Load Management Controls Utility Premises	-	-		-	-	-	-	-	-
47	1980	System Supervisor Equipment	4,414,517	261,141		4,675,659	(2,519,466)	(192,295)	-	(2,711,760)	1,963,898
47	1985	Miscellaneous Fixed Assets	-	-		-	-	-	-	-	-
47	1990	Other Tangible Property	-	-		-	-	-	-	-	-
47	1995	Contributions & Grants	(31,831,420)	(1,593,244)		(33,424,664)	8,967,282	780,539	-	9,747,822	(23,676,842)
47	2440	Deferred Revenue ⁵	-	-		-	-	-	-	-	-
		Sub-Total	305,994,618	18,100,762	(7,099,355)	316,996,025	(131,404,276)	(8,297,854)	5,726,711	(133,975,418)	183,020,607
		Less Socialized Renewable Energy Generation Investments (input as negative)				-				-	-
		Less Other Non Rate-Regulated Utility Assets (input as negative)				-				-	-
		Total PP&E	305,994,618	18,100,762	(7,099,355)	316,996,025	(131,404,276)	(8,297,854)	5,726,711	(133,975,418)	183,020,607
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable⁶									
		Total						(8,297,854)			

10	Transportation	
10	Truck Tools	(484,213)
8	Stores Equipment	(143,890)
	Net Depreciation	(7,622,809)

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Table 9-13 Fixed Asset Continuity Schedule 2015 'Old' CGAAP

CCA Class	OEB	Description	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
12	1611	Computer Software (Formally known as Account 1925)	6,112,349	711,366		6,823,715	(5,269,284)	(527,545)		(5,796,828)	1,026,887
CEC	1612	Land Rights (Formally known as Account 1806)	654,021	43,159		697,180	-	-		-	697,180
N/A	1805	Land	2,323,796			2,323,796	-	-		-	2,323,796
CEC	1808	Buildings	30,303,174	154,039		30,457,213	(2,680,230)	(604,259)		(3,284,489)	27,172,724
47	1810	Leasehold Improvements	-			-	-	-		-	-
13	1815	Transformer Station Equipment >50 kV	31,956,150	703,598		32,659,748	(11,026,183)	(811,766)		(11,837,948)	20,821,799
47	1820	Distribution Station Equipment <50 kV	5,597,083			5,597,083	(3,538,432)	(127,195)		(3,665,627)	1,931,456
47	1825	Storage Battery Equipment	-			-	-	-		-	-
47	1830	Poles, Towers & Fixtures	66,352,038	4,316,337		70,668,376	(27,216,385)	(2,228,127)		(29,444,512)	41,223,864
47	1835	Overhead Conductors & Devices	35,567,886	4,055,515		39,623,401	(11,661,143)	(1,356,666)		(13,017,810)	26,605,591
47	1840	Underground Conduit	17,644,765	1,605,956		19,250,720	(8,864,756)	(577,841)		(9,442,597)	9,808,124
47	1845	Underground Conductors & Devices	39,610,832	4,516,522		44,127,354	(20,266,815)	(1,379,163)		(21,645,978)	22,481,376
47	1850	Line Transformers	54,769,200	4,353,895		59,123,095	(24,744,838)	(1,867,115)		(26,611,954)	32,511,141
47	1855	Services (Overhead & Underground)	25,746,993	1,005,628		26,752,622	(13,396,525)	(798,448)		(14,194,973)	12,557,649
47	1860	Meters	6,881,238	662,062		7,543,300	(3,213,244)	(256,882)		(3,470,126)	3,873,174
47	1860	Meters (Smart Meters)	6,265,880			6,265,880	(1,046,700)	(541,563)		(1,588,262)	4,677,618
N/A	1905	Land	-			-	-	-		-	-
N/A	1908	Buildings & Fixtures	-			-	-	-		-	-
CEC	1910	Leasehold Improvements	-			-	-	-		-	-
47	1915	Office Furniture & Equipment (10 years)	1,567,630	9,500		1,577,130	(907,473)	(104,107)		(1,011,580)	565,549
13	1915	Office Furniture & Equipment (5 years)	-			-	2,500	-		2,500	2,500
8	1920	Computer Equipment - Hardware	-			-	-	-		-	-
10	1920	Computer Equip.-Hardware(Post Mar. 22/04)	-			-	-	-		-	-
12	1920	Computer Equip.-Hardware(Post Mar. 19/07)	4,055,309	179,480		4,234,789	(3,757,288)	(195,522)		(3,952,810)	281,979
10	1930	Transportation Equipment	8,856,261	912,044	(642,135)	9,126,170	(6,056,402)	(770,006)	624,772	(6,201,636)	2,924,535
8	1935	Stores Equipment	542,506			542,506	(287,690)	(46,942)		(334,631)	207,875
8	1940	Tools, Shop & Garage Equipment	1,344,361	103,000		1,447,361	(923,435)	(118,955)		(1,042,389)	404,972
8	1945	Measurement & Testing Equipment	932,204	14,000		946,204	(746,422)	(37,694)		(784,116)	162,088
8	1950	Power Operated Equipment	-			-	-	-		-	-
8	1955	Communications Equipment	929,763	14,500		944,263	(498,976)	(84,825)		(583,802)	360,461
8	1955	Communication Equipment (Smart Meters)	-			-	-	-		-	-
47	1960	Miscellaneous Equipment	2,594,400	31,500		2,625,900	(1,418,983)	(215,473)		(1,634,456)	991,444
47	1970	Load Management Controls Customer Premises	-			-	-	-		-	-
47	1975	Load Management Controls Utility Premises	-			-	-	-		-	-
47	1980	System Supervisor Equipment	4,675,659	231,448		4,907,107	(2,707,475)	(206,468)		(2,913,943)	1,993,163
47	1985	Miscellaneous Fixed Assets	-			-	-	-		-	-
47	1990	Other Tangible Property	-			-	-	-		-	-
47	1995	Contributions & Grants	(33,424,664)			(33,424,664)	10,837,065	1,396,709		12,233,774	(21,190,890)
47	2440	Deferred Revenues	-	(4,914,818)		(4,914,818)	-	125,577		125,577	(4,789,241)
		Sub-Total	321,658,836	18,708,730	(642,135)	339,725,431	(139,389,113)	(11,334,276)	624,772	(150,098,617)	189,626,814
		Less Socialized Renewable Energy Generation Investments (input as negative)									
		Less Other Non Rate-Regulated Utility Assets (input as negative)									
		Total PP&E	321,658,836	18,708,730	(642,135)	339,725,431	(139,389,113)	(11,334,276)	624,772	(150,098,617)	189,626,814
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable									
		Total						(11,334,276)			

10	Transportation
10	Truck Tools
8	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	(770,006)
Truck Tools	(118,955)
Stores Equipment	(46,942)
Net Depreciation	(10,398,374)

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Table 9-14 Fixed Asset Continuity Schedule 2015 MIFRS

CCA Class	OEB	Description	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
12	1611	Computer Software (Formally known as Account 1925)	6,112,349	711,366		6,823,715	(5,284,974)	(508,875)		(5,793,849)	1,029,866
CEC	1612	Land Rights (Formally known as Account 1806)	654,021	43,159		697,180	-	-		-	697,180
N/A	1805	Land	2,323,796			2,323,796	-	-		-	2,323,796
CEC	1808	Buildings	30,303,174	154,039		30,457,213	(3,142,079)	(841,280)		(3,983,359)	26,473,854
47	1810	Leasehold Improvements	-			-	-	-		-	-
13	1815	Transformer Station Equipment >50 kV	31,956,150	703,598		32,659,748	(12,077,303)	(1,319,243)		(13,396,546)	19,263,202
47	1820	Distribution Station Equipment <50 kV	5,597,083			5,597,083	(3,574,499)	(135,823)		(3,710,322)	1,886,761
47	1825	Storage Battery Equipment	-			-	-	-		-	-
47	1830	Poles, Towers & Fixtures	64,842,339	3,813,057		68,655,396	(24,917,368)	(1,141,605)		(26,058,973)	42,596,423
47	1835	Overhead Conductors & Devices	34,526,826	3,582,646		38,109,472	(10,598,549)	(843,466)		(11,442,015)	26,667,457
47	1840	Underground Conduit	17,369,842	1,418,703		18,788,545	(8,164,769)	(252,898)		(8,417,667)	10,370,879
47	1845	Underground Conductors & Devices	39,015,566	3,989,900		43,005,466	(19,252,512)	(913,797)		(20,166,309)	22,839,157
47	1850	Line Transformers	53,903,386	3,696,021		57,599,407	(23,019,414)	(1,097,078)		(24,116,492)	33,482,915
47	1855	Services (Overhead & Underground)	25,370,945	1,038,588		26,409,533	(12,426,660)	(353,256)		(12,779,915)	13,629,617
47	1860	Meters	6,681,238	662,062		7,343,300	(3,249,821)	(293,459)		(3,543,280)	3,800,020
47	1860	Meters (Smart Meters)	6,265,880			6,265,880	(1,083,219)	(541,563)		(1,624,782)	4,641,098
N/A	1905	Land	-			-	-	-		-	-
N/A	1908	Buildings & Fixtures	-			-	-	-		-	-
CEC	1910	Leasehold Improvements	-			-	-	-		-	-
47	1915	Office Furniture & Equipment (10 years)	1,567,630	9,500		1,577,130	(909,973)	(106,607)		(1,016,580)	560,550
13	1915	Office Furniture & Equipment (5 years)	-			-	-	-		-	-
8	1920	Computer Equipment - Hardware	-			-	-	-		-	-
10	1920	Computer Equip.-Hardware(Post Mar. 22/04)	-			-	-	-		-	-
12	1920	Computer Equip.-Hardware(Post Mar. 19/07)	4,055,309	179,480		4,234,789	(3,721,839)	(195,522)		(3,917,361)	317,428
10	1930	Transportation Equipment	8,856,261	912,044	(642,135)	9,126,170	(5,528,133)	(568,909)	624,772	(5,472,270)	3,653,900
8	1935	Stores Equipment	542,506			542,506	(287,690)	(46,942)		(334,631)	207,875
8	1940	Tools, Shop & Garage Equipment	1,344,361	103,000		1,447,361	(1,013,424)	(117,947)		(1,131,371)	315,990
8	1945	Measurement & Testing Equipment	932,204	14,000		946,204	(772,339)	(51,055)		(823,394)	122,810
8	1950	Power Operated Equipment	-			-	-	-		-	-
8	1955	Communications Equipment	929,763	14,500		944,263	(514,999)	(92,837)		(607,835)	336,428
8	1955	Communication Equipment (Smart Meters)	-			-	-	-		-	-
47	1960	Miscellaneous Equipment	2,594,400	31,500		2,625,900	(1,471,915)	(241,910)		(1,713,824)	912,076
47	1970	Load Management Controls Customer Premises	-			-	-	-		-	-
47	1975	Load Management Controls Utility Premises	-			-	-	-		-	-
47	1980	System Supervisor Equipment	4,675,659	231,448		4,907,107	(2,711,760)	(207,646)		(2,919,406)	1,987,701
47	1985	Miscellaneous Fixed Assets	-			-	-	-		-	-
47	1990	Other Tangible Property	-			-	-	-		-	-
47	1995	Contributions & Grants	(33,424,664)			(33,424,664)	9,747,822	779,728		10,527,550	(22,897,114)
47	2440	Deferred Revenues		(4,914,818)		(4,914,818)		125,577		125,577	(4,789,241)
		Sub-Total	316,996,025	16,393,793	(642,135)	332,747,683	(133,975,418)	(8,966,411)	624,772	(142,317,057)	190,430,626
		Less Socialized Renewable Energy Generation Investments (input as negative)				-				-	-
		Less Other Non Rate-Regulated Utility Assets (input as negative)				-				-	-
		Total PP&E	316,996,025	16,393,793	(642,135)	332,747,683	(133,975,418)	(8,966,411)	624,772	(142,317,057)	190,430,626
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable									
		Total						(8,966,411)			

10	Transportation
10	Truck Tools
8	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	(568,909)
Truck Tools	(117,947)
Stores Equipment	(46,942)
Net Depreciation	(8,232,613)

WNH has provided Appendix 2-EC in Table 9-15 below.

Table 9-15 Appendix 2-EC – Account 1576 Accounting Change under CGAAP

Reporting Basis	2011	2011	2012	2013	2014	2015	2016
	CGAAP	IRM	IRM	IRM	IRM	IRM	Rebasing Year
	Forecast	Actual	Actual	Actual	Actual	Forecast	COS
				\$	\$	\$	Forecast
PP&E Values under former CGAAP							
Opening net PP&E - Note 1				164,787,950	174,237,462	182,269,723	
Net Additions - Note 4				20,339,324	13,206,059	18,066,595	
Net Depreciation (amounts should be negative) - Note 4				(10,889,812)	(5,173,797)	(10,709,504)	
Closing net PP&E (1)				174,237,462	182,269,723	189,626,814	
PP&E Values under revised CGAAP (Starts from 2013)							
Opening net PP&E - Note 1				164,787,950	174,590,342	183,020,608	
Net Additions - Note 4				17,881,164	11,001,407	15,751,658	
Net Depreciation (amounts should be negative) - Note 4				(8,078,771)	(2,571,142)	(8,341,639)	
Closing net PP&E (2)				174,590,342	183,020,608	190,430,627	
Difference in Closing net PP&E, former CGAAP vs. revised CGAAP				(352,881)	(750,884)	(803,813)	
Effect on Deferral and Variance Account Rate Riders							
Closing balance in Account 1576							(803,813)
Return on Rate Base Associated with Account 1576 balance at WACC - Note 2							(49,631)
Amount included in Deferral and Variance Account Rate Rider Calculation							(853,444)

WNH is seeking disposition of its balance in Account 1576 as a refund to customers in the amount of (\$853,444). This is the amount that is included in the EDDVAR model in Tab 2, cell AO84 as the model directs. WNH confirms that no carrying charges are applied to the balance in the account. As mandated by the Board in its letter of June 25, 2014, this balance includes a rate of return component. In this Application, WNH has used WNH's proposed Weighted Average Cost of Capital ("WACC") of 6.17%, for the purposes of determining the disposition amount proposed for Account 1576. WNH will update the WACC value used in the calculation of 1576 to reflect future cost of capital parameters issued by the Board prior to the issuance of the Board's decision for its Application.

In considering the disposition period of this rate rider, WNH weighed the financial impact of such a significant refund on the business as well as bill impact considerations for customers and is proposing the default disposition period of one year. WNH believes

the refund should be returned to customers in a timely manner without further increasing the money owed and the rate of return. The refund will provide customers some measure of financial relief in a year that will see a proposed increase to distribution rates, the disposition of DVAs, including the LRAMVA, and the anticipated end of the Ontario Clean Energy Benefit (OCEB) credit.

Table 9-16 below summarizes the proposed Rate Rider by rate class that results from the clearance of account 1576, Accounting Changes under CGAAP. WNH has used a one year disposition period in the proposed Rate Rider calculations. As this balance is related to capital costs, WNH believes it is appropriate that customers receive credit based on their proportion of system utilization and submits that kWh is an appropriate allocator for Account 1576.

Table 9-16 - Proposed Account 1576 Rate Rider Calculation

Rate Class	kW	kWh	Allocator by kWh %	Allocated Cost by Class	Unit	1576 Rate Rider
Residential		399,341,268	27.6%	(235,725)	\$/kWh	(0.0006)
General Service Less Than 50 kW		192,108,795	13.3%	(113,399)	\$/kWh	(0.0006)
General Service 50 to 4,999 kW	1,746,786	710,364,299	49.1%	(419,318)	\$/kW	(0.2401)
Large Use	173,581	95,063,906	6.6%	(56,115)	\$/kW	(0.3233)
Unmetered Scattered Load		3,140,372	0.2%	(1,854)	\$/kWh	(0.0006)
Street Lighting	21,115	7,594,660	0.5%	(4,483)	\$/kW	(0.2123)
Embedded Distributor	71,406	31,378,863	2.2%	(18,522)	\$/kW	(0.2594)
General Service Greater than 50 kW - MP	12,620	6,823,514	0.5%	(4,028)	\$/kW	(0.3191)
Total	2,025,508	1,445,815,676	100.0%	(853,444)		

2.12.6 Retail Service Charges

This application includes a request to dispose the balance at December 31, 2014 plus interest to December 31, 2015 for Accounts 1518 and Account 1548 in the amounts of (\$137,902) and (\$7,160) respectively. WNH records Retailer Revenues collected and incremental costs incurred to service the retail customers. WNH confirms that all costs incorporated into the variances reported in Account 1518 and Account 1548 are incremental costs of providing retail services and that WNH follows Article 490 of the APH. WNH's balances in these two accounts do not exceed its materiality threshold as

defined in Exhibit 1, Table 1-17, thus, a schedule identifying all revenues and expenses incorporated into the variances recorded in USoA 1518 & 1548 has not been provided.

2.12.7 Disposition of Deferral and Variance Accounts

Accounts Submitted for Disposition

WNH is requesting disposition of the variance accounts noted below according to the Report of the Board, *EB-2010-0046*, which states that “at the time of rebasing, all Account balances should be disposed of unless otherwise justified by the distributor or as required by a specific Board decision or guideline”.

WNH has followed the guidelines in the Report of the Board and requests disposition over a one-year period. WNH has provided a continuity schedule of the accounts listed in this Exhibit.

WNH is requesting the disposition of the following Group 1 Accounts, Group 2 Accounts and Other Accounts as shown in Table 9-17. These amounts are comprised of the audited balances as of December 31, 2014 subject to adjustments as referenced in the section “Adjustment to Deferral and Variance Accounts” in this Exhibit, and the forecasted interest through December 31, 2015.

WNH confirms that the account balances, listed in Table 9-17, proposed for disposition before the projected interest are consistent with the last Audited Financial Statements and reconcile with the Trial Balance reported through the Electricity Reporting and Record-keeping Requirements, with the exception of the variances explained in the “Adjustment to Deferral and Variance Accounts” section in this Exhibit. WNH submits that the variances between the amounts WNH is claiming for disposition and the amounts reported in the RRR filing and 2014 Financial Statements are immaterial in nature and are less than 5%, even on a cumulative basis. Details on the disposition claim for Account 1568, LRAM Variance Account, of \$382,913 can be found in Exhibit 4 – Operating Costs.

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Table 9-17 – Accounts Submitted for 2016 Disposition

Account Description	USoA	Bal Dec 31/14		Disposition 2014		Projected 2015 Interest	Total Claim
		Principal	Interest	Principal	Interest		
Group 1 Accounts							
LV Variance Account	1550	200,761	3,397	(101,650)	(2,554)	1,182	101,136
Smart Metering Entity Charge Variance Account	1551	22,263	884	(32,301)	(947)	(120)	(10,221)
RSVA - Wholesale Market Service Charge	1580	(1,103,517)	(18,197)	926,113	28,059	(2,116)	(169,657)
RSVA - Retail Transmission Network Charge	1584	(674,686)	(13,628)	422,798	10,994	(3,004)	(257,526)
RSVA - Retail Transmission Connection Charge	1586	(300,806)	(7,463)	267,572	7,342	(396)	(33,751)
RSVA - Power (excluding Global Adjustment)	1588	577,379	(4,570)	462,831	8,477	12,405	1,056,522
RSVA - Global Adjustment	1589	2,723,941	38,792	(430,530)	(25,616)	27,349	2,333,935
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	2,285,850	(1,457,123)			27,259	855,985
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	(64,993)	151,494			(775)	85,726
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	625,899	(242,658)			7,464	390,705
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	268,029	(56,454)			3,196	214,771
Subtotal Group 1 Accounts		4,560,119	(1,605,526)	1,514,833	25,755	72,444	4,567,625
Group 2 Accounts							
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	101,136	6,474			1,206	108,816
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	2,634	73			31	2,739
Other Regulatory Assets - Sub-Account - Other 4 OMERS Difference - 2011 COS Settlement Agreement Item	1508	74,677	-				74,677
Other Regulatory Assets - Sub-Account - Other 4 Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	432,857	-				432,857
Retail Cost Variance Account - Retail	1518	(130,712)	(5,631)			(1,559)	(137,902)
Retail Cost Variance Account - STR	1548	(6,786)	(293)			(81)	(7,160)
Subtotal Group 2 Accounts		473,807	622	-	-	(402)	474,028
Other Accounts							
PILs and Tax Variance for 2006 and Subsequent Years	1592	(53,367)	(2,428)			(636)	(56,432)
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT	1592	(30,733)	(1,880)			(366)	(32,980)
LRAM Variance Account	1568	368,010	10,514			4,389	382,913
		Principal	Return				
Accounting Changes Under CGAAP Balance + Return Component	1576	(803,813)	(49,631)				(853,444)
Subtotal Other Accounts		(519,903)	(43,425)	-	-	3,386	(559,943)
Total							
		4,514,023	(1,648,329)	1,514,833	25,755	75,427	4,481,710

2 **Group 1 DVA Accounts Proposed for Disposition**

3

4 WNH received Board approval on March 19, 2015, *EB-2014-0119*, for the disposition of
5 Group 1 balances at December 31, 2013 and interest projected on these balances to
6 April 30, 2015. WNH, thus notes, that the Group 1 balances at December 31, 2014 that
7 are being proposing for disposition in this filing will reflect only activities for 2014 and
8 interest projected to December 31, 2015 on these accounts. Table 9-18 provides a
9 summary of the Group 1 2015 IRM Rate Filing approved disposition amounts by
10 account. WNH has recorded these amounts in Columns BO, BP and BG of the
11 EDDVAR model. The Principal Balance of (\$1,514,833) at December 31, 2013
12 approved for disposition is reflected in Column BO. The Total Interest approved of
13 (\$25,755), which includes the Interest to December 2013 and Projected Interest for
14 January 2014 to April 2015, is recorded Column BP. The Projected Interest only for
15 January 2014 to April 2015 of (\$29,691) is recorded in Column BG.

1

Table 9-18 – Group 1 DVA Balances – 2015 Disposition

Account Description	USoA	Principal Balance Dec 31/13	Interest Balance Dec 31/13	Projected Interest 2014	Projected Interest Jan-Apr 2015	Total Approved in 2015 IRM
Group 1 Accounts		Column BO	Column BP			
			Column BG			
LV Variance Account	1550	101,650	562	1,494	498	104,204
Smart Metering Entity Charge Variance Account	1551	32,301	314	475	158	33,248
RSVA - Wholesale Market Service Charge	1580	(926,113)	(9,907)	(13,614)	(4,538)	(954,172)
RSVA - Retail Transmission Network Charge	1584	(422,798)	(2,708)	(6,215)	(2,072)	(433,792)
RSVA - Retail Transmission Connection Charge	1586	(267,572)	(2,098)	(3,933)	(1,311)	(274,914)
RSVA - Power (excluding Global Adjustment)	1588	(462,831)	595	(6,804)	(2,268)	(471,308)
RSVA - Global Adjustment	1589	430,530	17,178	6,329	2,110	456,146
Total Group 1 Accounts Approved for Disposition in 2015 IRM		(1,514,833)	3,936	(22,268)	(7,423)	(1,540,588)
					(29,691)	
					(25,755)	

2

3 WNH has detailed in Tables 9-19 and 9-20 below a summary of the Group 1 Accounts
4 and Disposition and Recovery of Regulatory Balance (2010 – 2013), USoA 1595,
5 transactions submitted for disposition. The rate riders associated with all four of the
6 Disposition and Recovery of Regulatory Balances all expired on April 30, 2014.

7

8

Table 9-19 Group 1 Accounts for Disposition

Account Description	USoA	Transactions 2014	Interest 2014	Projected Interest 2015	Total Claim in EDDVAR Model Dec 31/14
Group 1 Accounts					
LV Variance Account	1550	99,111	843	1,182	101,136
Smart Metering Entity Charge Variance Account	1551	(10,038)	(63)	(120)	(10,221)
RSVA - Wholesale Market Service Charge	1580	(177,404)	9,862	(2,116)	(169,657)
RSVA - Retail Transmission Network Charge	1584	(251,888)	(2,634)	(3,004)	(257,526)
RSVA - Retail Transmission Connection Charge	1586	(33,234)	(121)	(396)	(33,751)
RSVA - Power (excluding Global Adjustment)	1588	1,040,210	3,907	12,405	1,056,522
RSVA - Global Adjustment	1589	2,293,411	13,175	27,349	2,333,935
Total 2014 Group 1 Accounts Submitted for Disposition		2,960,168	24,970	35,300	3,020,437

**Table 9-20 – Disposition and Recovery of Regulatory Balances (2010 – 2013),
USoA 1595**

Account Description	USoA	Approved for Disposition		Payments to/(from) Customers to Dec/14	Interest to Dec/14	Projected Interest 2015	Total Claim in EDDVAR Model Column BU
Group 1 Accounts		Filing #	\$ Amount				
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	EB-2009-0210	(13,686,828)	14,758,503	(242,948)	27,259	855,985
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	EB-2010-0144	1,279,080	(1,216,108)	23,529	(775)	85,726
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	EB-2011-0201	(4,785,442)	5,223,398	(54,715)	7,464	390,705
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	EB-2012-0172	(1,870,615)	2,092,833	(10,643)	3,196	214,771
Total Disposition and Recovery/Refund of Regulatory Balances			(19,063,805)	20,858,626	(284,777)	37,144	1,547,188

Group 2 DVA Accounts Submitted for Disposition

WNH has provided below the Group 2 DVA Accounts submitted for disposition in Table 9-21 below. A description of each account follows the table.

Table 9-21 Group 2 DVA Accounts Submitted for Disposition

Account Description	USoA	Transactions to 2014	Interest to 2014	Projected Interest 2015	Total Claim in EDDVAR Model
Group 2 Accounts					
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	101,136	6,474	1,206	108,816
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	2,634	73	31	2,739
Other Regulatory Assets - Sub-Account - Other - OMERS Difference - 2011 COS Settlement Agreement Item	1508	74,677	-	-	74,677
Other Regulatory Assets - Sub-Account - Other - Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	432,857	-	-	432,857
Retail Cost Variance Account - Retail	1518	(130,712)	(5,631)	(1,559)	(137,902)
Retail Cost Variance Account - STR	1548	(6,786)	(293)	(81)	(7,160)
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	(53,367)	(2,428)	(636)	(56,432)
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(30,733)	(1,880)	(366)	(32,980)
Total Group 2 Accounts Submitted for Disposition		389,707	(3,686)	(1,405)	384,616

Method of Disposition

The following methods are proposed for disposition of the DVA balances, for those accounts that have been selected for disposition.

WNH notes that it has two Market Participant accounts. The Board's 2015 Filing Requirements of July 18, 2014 state: *"Establish separate rate riders to recover the balances in the RSVAs from Market Participants ("MPs") who must not be allocated the RSPA account balances related to charges for which the MPs settle directly with the IESO (e.g. wholesale energy, wholesale market services)".* In the EDDVAR Model WNH created a sub class within the General Service Greater than 50 kW rate class for

1 General Service Greater than 50 kW – MP. WNH has allocated these customers the
2 balances and the related Rate Riders, only for balances in which relate to the two MP
3 customers. WNH notes that it has removed any balances for RSVA Power USOA 1588,
4 RSVA WMS USOA 1580 and RSVA Power USOA 1589 for the MP customers. All other
5 applicable balances have been assigned to these customers as they contributed to the
6 variance. The Market Participant customers are included in the GS > 50 kW rate class
7 for the purposes of the Distribution Fixed and Variable Rates.

8
9 **Group One Accounts, Excluding 1595 and 1551**

10
11 Method of disposition: allocation to rate classes on basis of the 2016 forecasted kWh
12 energy consumption by customer class and disposition through variable component rate
13 rider based on kWh or kW.

14
15 Allocation of costs to customer classes is based upon kWh energy consumption by
16 customer class in accordance with the default cost allocation methodology established
17 by the Board for Group 1 deferral and variance accounts in the Electricity Distributor's
18 Deferral and Variance Account Review Initiative (EDDVAR Report), dated July 31,
19 2010.

20
21 For the purposes of allocating the costs of Account 1589 – Global Adjustment, WNH
22 utilized Non-RPP kWh as the allocator. For all rate classes the 2014 billed Non-RPP
23 kWh was used. WNH notes the Large User rate class does not have any kWh for Non-
24 RPP for 2014. The Large Use customer is a Class A customer under O.Reg 429/04
25 and no Global Adjustment variance has been recorded for this customer, thus, no kWh
26 have been reflected.

Group One Accounts – 1595

Method of disposition: allocation to rate classes is based on the recovery share proportion as was determined in each of the approved 2010 (*EB-2009-0210*), 2011 (*EB-2010-0144*), 2012 (*EB-2011-0201*) and 2013 (*EB-2012-0172*) Rate Decisions. WNH determined the amount recovered from each rate class and the resulting percentage per rate class and has applied this to the 1595 accounts for disposition.

Group One Accounts – 1551

The Smart Metering Entity Charge is only charged to the Residential and GS < 50 kW rate class in proportion to their forecasted 2016 customer numbers. This treatment is consistent with the 2015 IRM instruction "*The proportion of customers for the Residential and GS<50 Classes will be used to Allocate 1551*".

Group Two Accounts

Method of disposition: allocation to rate classes on basis of the 2016 forecasted kWh energy consumption by customer class and disposition through variable component rate rider based on kWh or kW for Group Two accounts except for 1518 RCVA–Retail, 1548 RCVA-STR accounts.

Allocation of costs to customer classes of account 1518 RCVA-Retail and 1548 RCVA–STR account balances is based on the number of 2016 forecasted customers in accordance with the default cost allocation methodology established by the Board in the EDDVAR Report, dated July 31, 2010.

Smart Meter Capital and OM&A Variance Accounts USoA 1555 & 1556

WNH received approval (*EB-2012-0266*) for disposition and recovery of costs related to the Smart Meter implementation for Capital and OM&A costs effective November 1, 2012 in effect until the effective date of the next Cost of Service-Based Rate Order.

1 WNH is including a request for the disposition of Stranded Meter costs is included in
2 Exhibit 2 – Rate Base.

3
4 **LRAM Variance Account (LRAMVA)**

5
6 Method of disposition: allocation to rate classes on basis of the lost revenue allocate by
7 class based upon the OPA's Final Reports for 2011, 2012 and 2013 and disposition
8 through a variable component Rate Rider based on 2016 forecasted kWh energy
9 consumption and kW demand by customer class.

10
11 **Account 1576**

12
13 Method of Disposition: allocation to rate classes on basis of the 2016 forecasted kWh
14 energy consumption by customer class and disposition through variable component rate
15 rider based on kWh or kW.

16
17 The balance in WNH's Account 1576 reflects decreased depreciation expense and
18 increased overhead expensed for 2013, 2014 and 2015, due to changes in estimates
19 for PP&E useful lives and the overheads no longer able to be capitalized. Since this
20 balance is related to capital costs, it is appropriate that customers receive credit based
21 on their proportion of system utilization. WNH submits that kWh is an appropriate
22 allocator for Account 1576.

23
24 The continuity schedule for all DVA's submitted for disposition, the cost allocation and
25 rate rider calculation are included in the EDDVAR model.

1 **Table 9-22 Other Regulatory Assets – Sub Account – Deferred IFRS Transition Costs USoA 1508 – Appendix 2-U**

Nature of One-Time Incremental IFRS Transition Costs	Audited Actual Costs Incurred 2009	Audited Actual Costs Incurred 2010	Audited Actual Costs Incurred 2011	Audited Actual Costs Incurred 2012	Audited Actual Costs Incurred 2013	Audited Carrying Charges to Dec 31, 2014 *	Forecasted Costs 2015	Forecasted Costs 2016	Total Costs Excluding Carrying Charges	Carrying Charges January 1 to December 31, 2015	Total Costs and Carrying Charges	Reasons why the costs recorded meet the criteria of one-time IFRS administrative incremental costs
Professional accounting fees	39,070		3,000	6,685					48,755		\$ 48,755	Consultant Fees related to IFRS Conversion
Professional legal fees									-		\$ -	No incremental legal fees were incurred
Salaries, wages and benefits of staff added to support the transition to IFRS									-		\$ -	No incremental salaries were incurred
Associated staff training and development costs									-		\$ -	No incremental training was incurred
Costs related to system upgrades, or replacements or changes where IFRS was the major reason for conversion	5,100	47,282							52,382		\$ 52,382	IT Consulting Work related to IFRS Conversion
Carrying Charges						6,474			-	\$ 1,206	\$ 7,680	
Total	44,170	47,282	3,000	6,685	-	6,474	-	-	101,136	1,206	\$ 108,816	

2.12.8 LRAM Variance Account USoA 1568

The information to support the request for the disposition of the LRAMVA balance is included in Exhibit 4 – Operating Expenses per the Filing Requirements; however, WNH has included this amount in the EDDVAR model as it is specifically listed within the model. The balance submitted for RRR filing and audited financial statements in 2014 included the IESO (formerly the OPA) verified totals for Lost Revenue for 2011, 2012 and 2013 IESO (formerly the OPA) programs. WNH is requesting disposition for Lost Revenue for 2011 through 2013 programs in the amount of \$382,913.

2.12.9 Other Variance Accounts

Capital Gain Variance - 2011 COS Settlement Agreement Item - Account 1508

In WNH's 2011 COS Settlement Agreement, pages 36 and 39 of 77, it states:

“WNH will be disposing of its existing Administration Building and Service Centre on Northfield Drive in Waterloo. It is anticipated that disposition will occur in 2012. The parties have agreed for the purposes of settlement that WNH's customers will receive 75% of the Net after Tax Gain on the sale of this property, and WNH will retain the remaining 25%. While the property is not expected to be sold until 2012 or later, the Parties have agreed that payments to WNH's customers will begin May 1, 2011, and that this will mitigate impacts to customers of WNH regarding collection of amounts owing in the Deferral and Variance Accounts as noted in Section 9.2 on the following basis:

- a) *The payments will be in the form of a rate rider (please see Appendix N), and will be spread equally over three years commencing May 1, 2011, to align with the disposition of Deferral and Variance Accounts in Section 9.2;*
- b) *The value of the payment to be made by way of the rate rider will be based on the estimate of the net after tax gain set out in the following table; and*

Estimate for Purposes of this Settlement	
Estimated Fair Market Value	\$ 7,300,000
Estimated Selling Costs (real estate, legal, cleanup costs)	(900,000)
Estimated Net Book Value of Land and Building	(3,600,000)
Estimated Taxes	(800,000)
Estimated Gain on Sale	\$ 2,000,000
75% of Estimated Gain on Sale	\$ 1,500,000
Rate Rider Annually, Paid for Three Years	\$ 500,000

c) *A variance account will be created to track the difference between 75% of the Actual Net after Tax Gain and the payout of the 75% of the Estimated Net after Tax Gain that is included in this Settlement. The variance will be paid to customers or collected from customers at the time of WNH's next rebasing."*

WNH is providing its details of the variance account in Table 9-23 below. The building was sold on June 27, 2013.

Table 9-23 Capital Gain Variance

Details	Costs	
Proceeds on Sale of Building		7,100,000
Selling Costs		
Commission	284,000	
Legal	6,600	(290,600)
Clean Up Costs		(1,353,059)
Net Book Value of Land and Building		(3,545,641)
Taxes		(381,881)
Gain on Sale of Building		1,528,819
75% of Gain Payable to Customers		(1,146,614)
Monies Refunded to Customers ¹		1,579,471
Variance Owing From Customers		432,857

¹ Rate Rider was effective May 1, 2011 to April 30, 2014

WNH calculated the Present Value (PV) of \$381,881 of taxes that have been deferred and will be payable in future years. WNH notes that it elected under subsection 44(6) to defer the entire \$2,586,645 of capital gain on the sale of the old land. The election reduces the UCC pool by the gain and an adjustment was made on the CCA Schedule 8 Class 1b for this amount. Please note that due to the election on WNH's 2013 Corporate Tax Return to defer the taxes, WNH used the 6% CCA Rate of Class 1b, declining balance method of amortization, the current tax rate and the PV mid-point in order to calculate the PV of taxes.

Other Regulatory Assets - Sub-Account - Incremental Capital Charges USoA 1508

WNH has included costs paid to Hydro One Networks Inc. (HONI) for the years 2010 through 2014. The principal balance at December 31, 2014 is \$2,634; the interest balance is \$74 for a total balance of \$2,708. Projected 2015 Interest of \$31 has been calculated for a total claim of \$2,739.

Other Regulatory Assets - Sub-Account - Other 4 OMERS Difference - 2011 COS Settlement Agreement Item USoA 1508

In WNH's 2011 COS Settlement Agreement, page 21 of 77, it states:

"Increase in OMERS Costs of \$126,250, from the \$85,000 included in the Application, to \$211,250 in order to provide for normalized OMERS increases for 2011-2014. The Parties have agreed that a variance account will be established and any differences between the amount paid by WNH and the annualized amount of \$211,250 will be disposed of by way of payments by, or refunds to, WNH's customers at the next Cost of Service Filing"

WNH has calculated the variance as detailed in Table 9-24 below. In addition, WNH has provided the calculations that determined the OMERS cost in the 2011 Revenue Requirement.

Table 9-24 OMERS Variance from 2011 COS Settlement Agreement

Description	2011	2012	2013	Total
WNH OMERS Actual Cost - Current Year	804,522	933,351	1,033,890	2,771,763
WNH OMERS Actual Cost - Previous Year	(671,212)	(804,522)	(933,351)	(2,409,086)
Increase in OMERS Cost over Previous Year	133,310	128,829	100,538	362,677
Costs included in Settlement Agreement	85,000	99,000	104,000	288,000
Variance for the Year	48,310	29,829	(3,462)	74,677

Calculation of Costs Included in 2011 COS Settlement Agreement		
2011	85,000	Forecasted Increase Included in 2011 Test Year
One-time Normalized Costs		
2012	74,250	See calculation below ¹
2013	52,000	See calculation below ²
	126,250	Inclusion in 2011 Test Year
Total Costs for Inclusion in 2011		
	85,000	Proposed in Initial Submission
	126,250	Proposed Additional for 2012 & 2013
	211,250	Revised Proposed OMERS Costs in 2011 Test Year
Calculation of Normalized Costs		
¹ 2012	99,000	Forecast increase for 2012
	3	Number of years until next Cost of Service
	297,000	Total \$ 2012 - 2014
² 2013	74,250	Divide over 4 years
	104,000	Forecast increase for 20123
	2	Number of years until next Cost of Service
	208,000	Total \$ 2012 - 2014
	52,000	Divide over 4 years

2.12.10 Group 2 Accounts – To be Continued and Discontinued on a Go-Forward Basis

Table 9-25 below lists all Group 2 accounts which WNH proposes to continue or discontinue on a going-forward basis. WNH has only included those Group 2 accounts that have balances as of the 2015 Bridge Year.

Explanations for each account are provided in Table 9-25.

Table 9-25 Group 2 Continuance / Discontinuance

Account Description	USoA	Continue / Discontinue	Explanation
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	Discontinue	WNH seeking recovery in this application, IFRS effective 2015
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	Continue	Ongoing Use
Other Regulatory Assets - Sub-Account - Other 4 OMERS Difference - 2011 COS Settlement Agreement Item	1508	Discontinue	WNH seeking recovery in this application, 2011 COS Settlement Item
Other Regulatory Assets - Sub-Account - Other 4 Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	Discontinue	WNH seeking recovery in this application, 2011 COS Settlement Item
Retail Cost Variance Account - Retail	1518	Continue	Ongoing Use
Misc. Deferred Debits	1525	Continue	Ongoing Use
Retail Cost Variance Account - STR	1548	Continue	Ongoing Use
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	Discontinue	WNH seeking recovery in this application, tracking ended April 30, 2011
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	Discontinue	WNH seeking recovery in this application, tracking ended December 31, 2010
LRAM Variance Account	1568	Continue	Ongoing Use
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	Discontinue	WNH seeking recovery in this application, account activity has ceased
Accounting Changes Under CGAAP Balance + Return Component ⁹	1576	Discontinue	WNH seeking recover in this application, activity ends in 2015

2.12.11 Proposed Rate Riders

Table 9-26, Table 9-27, Table 9-28 and Table 9-29 below summarizes the proposed Rate Riders that result from the disposal of the DVA balances. WNH has used a one-year recovery period in the proposed Rate Rider calculations. All the relevant calculations, including the rationale for the allocation of each account and the proposed billing determinants can be found in the EDDVAR model.

Table 9-26 - Proposed DVA Rate Riders by Class (Excluding 1589 Global Adjustment)

Rate Class	2016 Predicted kW	2016 Predicted kW	Allocated Balance (excluding 1589)	Recovery Period (# Years)	Unit	Rate Rider
Residential		399,341,268	649,562	1	\$/kWh	0.0016
General Service Less Than 50 kW		192,108,795	344,369	1	\$/kWh	0.0018
General Service 50 to 4,999 kW	1,746,786	710,364,299	1,379,228	1	\$/kW	0.7896
Large Use	173,581	95,063,906	184,735	1	\$/kW	1.0643
Unmetered Scattered Load		3,140,372	5,087	1	\$/kWh	0.0016
Street Lighting	21,115	7,594,660	15,018	1	\$/kW	0.7113
Embedded Distributor	71,406	31,378,863	38,710	1	\$/kW	0.5421
General Service Greater than 50 kW - MP	12,620	6,823,514	1,597	1	\$/kW	0.1266
Total	2,025,508	1,445,815,676	2,618,305			

Table 9-27 - Proposed Rate Riders for 1589 RSVA – Global Adjustment

Rate Class	2016 Predicted kW	Allocated Balance 1589	Recovery Period (# Years)	Unit	Rate Rider
Residential	19,654,183	61,179	1	\$/kWh	0.0031
General Service Less Than 50 kW	33,236,983	103,459	1	\$/kWh	0.0031
General Service 50 to 4,999 kW	1,613,339	2,042,264	1	\$/kW	1.2659
Large Use	-	-	1	\$/kW	-
Unmetered Scattered Load	2,747	9	1	\$/kWh	0.0031
Street Lighting	21,687	24,281	1	\$/kW	1.1196
Embedded Distributor	75,112	102,745	1	\$/kW	1.3679
General Service Greater than 50 kW - MP	-	-	1	\$/kW	-

Table 9-28 - Proposed Rate Riders for Account 1576 Impact of Accounting Changes to PP&E

Rate Class	kW	kWh	Allocator by kWh %	Allocated Cost by Class	Unit	1576 Rate Rider
Residential		399,341,268	27.6%	(235,725)	\$/kWh	(0.0006)
General Service Less Than 50 kW		192,108,795	13.3%	(113,399)	\$/kWh	(0.0006)
General Service 50 to 4,999 kW	1,746,786	710,364,299	49.1%	(419,318)	\$/kW	(0.2401)
Large Use	173,581	95,063,906	6.6%	(56,115)	\$/kW	(0.3233)
Unmetered Scattered Load		3,140,372	0.2%	(1,854)	\$/kWh	(0.0006)
Street Lighting	21,115	7,594,660	0.5%	(4,483)	\$/kW	(0.2123)
Embedded Distributor	71,406	31,378,863	2.2%	(18,522)	\$/kW	(0.2594)
General Service Greater than 50 kW - MP	12,620	6,823,514	0.5%	(4,028)	\$/kW	(0.3191)
Total	2,025,508	1,445,815,676	100.0%	(853,444)		

Table 9-29 - Proposed Rate Riders for Account 1568 – LRAMVA

Rate Class	2016 Predicted kWh/kW	Allocated Balance 1568	Recovery Period (# Years)	Unit	Rate Rider
Residential	399,341,268	1,282	1	\$/kWh	0.0000
General Service Less Than 50 kW	192,108,795	97,381	1	\$/kWh	0.0005
General Service 50 to 4,999 kW	1,746,786	292,108	1	\$/kW	0.1672
Large Use	173,581	(7,859)	1	\$/kW	(0.0453)

2.12.12 Cost of Eligible Investments for Connection of Qualifying Generation Facilities – Provincial Rate Payers

Section 2.5.2.5 of the Board's 2015 Filing Requirements states: "... the distributor must provide a proposal, where applicable, to divide the costs of eligible investments between the distributor's ratepayers and all Ontario ratepayers per Regulation 330/09, taking into account the Board's Report on the Framework for Determining Direct Benefits (EB-2009-0349) (the "Direct Benefits Report"). Where applicable, applicants must file a draft accounting order to establish a variance account tracking the IESO payment revenues against the actual spending."

WNH has reflected the following proposed treatment for Eligible Investments of connecting Qualifying Generation Facilities in this application:

- WNH invested in one qualifying expansion project in 2013 in the amount of \$117,320
- WNH has left the above project in its Rate Base, completed the Board's Appendix 2 – FA and Appendix 2 - FC and recorded the resulting 2016 Provincial Rate Protection Amount of \$7,776 as a Revenue Offset to its 2016 Revenue Requirement. In the Board's model 17% of the expansion costs are directly attributable to WNH's customers and 83% is a provincial recovery.
- The Board's Appendix 2 – FA and Appendix 2 – FC are attached to this Exhibit as Attachment 9-2
- WNH is proposing in this Exhibit for the Board's approval for WNH to obtain payment from the IESO for Ratepayer Protection under O. Reg. 330/09 in the

1 amount of \$7,776 annually by payment of \$648 monthly, the 2016 Provincial
2 Rate Protection Amount as calculated by the Board's Appendix 2-FA and
3 Appendix 2-FC.

- 4 • WNH is not proposing a variance account as the one project occurred in the
5 historical year 2013 and no further eligible investments in connecting qualifying
6 generation facilities has been forecast for the 2015 Bridge and 2016 Test Years.
- 7 • WNH will update the Board's Appendix 2 – FA and Appendix 2 – FC, its
8 resultant 2016 Provincial Rate Protection Amount and its 2016 Revenue Offset
9 for any future Board issued cost of capital parameters for rates with effective
10 dates in 2016 prior to the issuance of the Board's decisions for its Application.

ATTACHMENT 9-1

EDDVAR MODEL



2015 Deferral/Variance Account Workform

Version 2.4

Utility Name	Waterloo North Hydro Inc.
Service Territory	(if applicable)
Assigned EB Number	EB-2015-0108
Name of Contact and Title	Albert P. Singh
Phone Number	519-888-5542
Email Address	asingh@wnhydro.com

General Notes

Notes

- Pale green cells represent input cells.
- Pale blue cells represent drop-down lists. The applicant should select the appropriate item from the drop-down list.
- White cells contain fixed values, automatically generated values or formulae.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of preparing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

2015 Deferral/Variance Account Workform

			2009									
Account Descriptions		Account Number	Opening Principal Amounts as of Jan-1-09	Transactions Debit/ (Credit) during 2009 excluding interest and adjustments ³	Board-Approved Disposition during 2009	Adjustments during 2009 - other ²	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other ²	Closing Interest Amounts as of Dec-31-09
Group 1 Accounts			2009 - RCVA 1548/1518, Incremental approved 2011 COS						1548/1518, Incremental approved 2011 COS			
1	LV Variance Account	1550					\$0					\$0
2	Smart Metering Entity Charge Variance Account	1551					\$0					\$0
3	RSVA - Wholesale Market Service Charge	1580					\$0					\$0
4	RSVA - Retail Transmission Network Charge	1584					\$0					\$0
5	RSVA - Retail Transmission Connection Charge	1586					\$0					\$0
6	RSVA - Power (excluding Global Adjustment)	1588					\$0					\$0
7	RSVA - Global Adjustment	1589					\$0					\$0
8	Disposition and Recovery/Refund of Regulatory Balances (2008)	1595					\$0					\$0
9	Disposition and Recovery/Refund of Regulatory Balances (2009)	1595					\$0					\$0
10	Disposition and Recovery/Refund of Regulatory Balances (2010)	1595					\$0					\$0
11	Disposition and Recovery/Refund of Regulatory Balances (2011)	1595					\$0					\$0
12	Disposition and Recovery/Refund of Regulatory Balances (2012)	1595					\$0					\$0
	Disposition and Recovery/Refund of Regulatory Balances (2013)	1595					\$0					\$0
Group 1 Sub-Total (including Account 1589 - Global Adjustment)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - Global Adjustment		1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 2 Accounts												
13	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508		\$44,170			\$44,170		\$161			\$161
14	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508				\$750	\$750				\$8	\$8
	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ⁶	1508										
15	Ontario Clean Energy Benefit Act ⁶	1508										
16	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508										
17	Other Regulatory Assets - Sub-Account - Other ⁷ OMERS Difference - 2011 COS Settlement Agreement Item	1508					\$0					\$0
	Other Regulatory Assets - Sub-Account - Other ⁷ Capital Gain Variance - 2011 COS Settlement Agreement Item	1508					\$0					\$0
18	Retail Cost Variance Account - Retail	1518				-\$256,142	-\$256,142				-\$20,620	-\$20,620
19	Misc. Deferred Debits	1525					\$0					\$0
20	Renewable Generation Connection Capital Deferral Account	1531					\$0					\$0
21	Renewable Generation Connection OM&A Deferral Account	1532					\$0					\$0
22	Renewable Generation Connection Funding Adder Deferral Account	1533					\$0					\$0
23	Smart Grid Capital Deferral Account	1534					\$0					\$0
24	Smart Grid OM&A Deferral Account	1535					\$0					\$0
25	Smart Grid Funding Adder Deferral Account	1536					\$0					\$0
26	Retail Cost Variance Account - STR	1548				-\$13,478	-\$13,478				-\$1,220	-\$1,220
27	Board-Approved CDM Variance Account	1567										\$0
28	Extra-Ordinary Event Costs	1572					\$0					\$0
29	Deferred Rate Impact Amounts	1574					\$0					\$0
30	RSVA - One-time	1582					\$0					\$0
31	Other Deferred Credits	2425					\$0					\$0
Group 2 Sub-Total			\$0	\$44,170	\$0	-\$268,870	-\$224,701	\$0	\$161	\$0	-\$21,832	-\$21,671
32	Deferred Payments in Lieu of Taxes	1562					\$0					\$0
33	PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592					\$0					\$0
34	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592					\$0					\$0
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)			\$0	\$44,170	\$0	-\$268,870	-\$224,701	\$0	\$161	\$0	-\$21,832	-\$21,671
LRAM Variance Account												
35		1568										
Total including Account 1568			\$0	\$44,170	\$0	-\$268,870	-\$224,701	\$0	\$161	\$0	-\$21,832	-\$21,671
36	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ¹⁰	1555					\$0					\$0
37	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ¹⁰	1555					\$0					\$0
38	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ¹⁰	1555					\$0					\$0
39	Smart Meter OM&A Variance ¹⁰	1556					\$0					\$0
40	IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁹	1575										
41	Accounting Changes Under CGAAP Balance + Return Component ⁹	1576										

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

¹ Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

^{1A} Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2006 EDR and subsequent years as ordered by the Board.

² Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

³ For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

⁴ Please describe "other" components of 1508 and add more component lines if necessary.

⁵ 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

⁶ If the LDC's 2014 rate year begins January 1, 2014, the projected interest is recorded from January 1, 2013 to December 31, 2013 on the December 31, 2012 balance adjusted for the disposed balances approved by the Board in the 2013 rate decision. If the LDC's 2013 rate year begins May 1, 2014 the projected interest is recorded from January 1, 2013 to April 30, 2014 on the

⁷ As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1, 2011 will require a variance account for OCEB purposes... The Board expects that any principal balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be addressed through the monthly settlement process with the IESO or the host distributor, as applicable.

⁸ The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the "Other Adjustments during Q4 2012" column of the continuity schedule, please enter the amounts to be included in the Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-EA, 2-EB or 2-EC). For Account 1576, please provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-ED or 2-EE).

¹⁰ Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account rate rider. For details on how to dispose of balances in Smart Meter accounts see the Board's Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

2015 Deferral/Variance Account Workform

			2010									
Account Descriptions		Account Number	Opening Principal Amounts as of Jan-1-10	Transactions Debit/ (Credit) during 2010 excluding interest and adjustments ³	Board-Approved Disposition during 2010	Adjustments during 2010 - other ²	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other ²	Closing Interest Amounts as of Dec-31-10
Group 1 Accounts			Trsf in / Approved						Trsf in / Approved			
1	LV Variance Account	1550	\$0				\$0	\$0				\$0
2	Smart Metering Entity Charge Variance Account	1551	\$0				\$0	\$0				\$0
3	RSVA - Wholesale Market Service Charge	1580	\$0				\$0	\$0				\$0
4	RSVA - Retail Transmission Network Charge	1584	\$0				\$0	\$0				\$0
5	RSVA - Retail Transmission Connection Charge	1586	\$0				\$0	\$0				\$0
6	RSVA - Power (excluding Global Adjustment)	1588	\$0				\$0	\$0				\$0
7	RSVA - Global Adjustment	1589	\$0				\$0	\$0				\$0
8	Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	\$0				\$0	\$0				\$0
9	Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$0				\$0	\$0				\$0
10	Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	\$0	\$2,451,271		-\$12,472,653	-\$10,021,382	\$0	-\$68,942		-\$1,214,175	-\$1,283,117
11	Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	\$0				\$0	\$0				\$0
12	Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	\$0				\$0	\$0				\$0
	Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	\$0				\$0	\$0				\$0
Group 1 Sub-Total (including Account 1589 - Global Adjustment)			\$0	\$2,451,271	\$0	-\$12,472,653	-\$10,021,382	\$0	-\$68,942	\$0	-\$1,214,175	-\$1,283,117
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)			\$0	\$2,451,271	\$0	-\$12,472,653	-\$10,021,382	\$0	-\$68,942	\$0	-\$1,214,175	-\$1,283,117
RSVA - Global Adjustment			1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 2 Accounts												
13	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$44,170	\$47,282			\$91,451	\$161	\$620			\$781
14	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$750	\$686			\$1,436	\$8	\$10			\$18
	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ⁸	1508										
15	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508										
16	Other Regulatory Assets - Sub-Account - Other *OMERS Difference - 2011 COS Settlement Agreement Item	1508	\$0				\$0	\$0				\$0
	Other Regulatory Assets - Sub-Account - Other *Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	\$0				\$0	\$0				\$0
18	Retail Cost Variance Account - Retail	1518	-\$256,142	-\$46,314			-\$302,456	-\$20,620	-\$208			-\$20,828
19	Misc. Deferred Debits	1525	\$0				\$0	\$0				\$0
20	Renewable Generation Connection Capital Deferral Account	1531	\$0				\$0	\$0				\$0
21	Renewable Generation Connection OM&A Deferral Account	1532	\$0				\$0	\$0				\$0
22	Renewable Generation Connection Funding Adder Deferral Account	1533	\$0				\$0	\$0				\$0
23	Smart Grid Capital Deferral Account	1534	\$0				\$0	\$0				\$0
24	Smart Grid OM&A Deferral Account	1535	\$0				\$0	\$0				\$0
25	Smart Grid Funding Adder Deferral Account	1536	\$0				\$0	\$0				\$0
26	Retail Cost Variance Account - STR	1548	-\$13,478	-\$2,224			-\$15,702	-\$1,220	-\$11			-\$1,231
27	Board-Approved CDM Variance Account	1567					\$0	\$0				\$0
28	Extra-Ordinary Event Costs	1572	\$0				\$0	\$0				\$0
29	Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0
30	RSVA - One-time	1582	\$0				\$0	\$0				\$0
31	Other Deferred Credits	2425	\$0				\$0	\$0				\$0
Group 2 Sub-Total			-\$224,701	-\$570	\$0	\$0	-\$225,271	-\$21,671	\$411	\$0	\$0	-\$21,260
32	Deferred Payments in Lieu of Taxes	1562	\$0				\$0	\$0				\$0
33	PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0	-\$39,416			-\$39,416	\$0	-\$206			-\$206
34	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0	-\$30,733			-\$30,733	\$0	-\$73			-\$73
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)			-\$224,701	\$2,380,551	\$0	-\$12,472,653	-\$10,316,803	-\$21,671	-\$68,809	\$0	-\$1,214,175	-\$1,304,655
35	LRAM Variance Account	1568					\$0					\$0
Total including Account 1568			-\$224,701	\$2,380,551	\$0	-\$12,472,653	-\$10,316,803	-\$21,671	-\$68,809	\$0	-\$1,214,175	-\$1,304,655
36	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ¹⁰	1555	\$0				\$0	\$0				\$0
37	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ¹⁰	1555	\$0				\$0	\$0				\$0
38	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ¹⁰	1555	\$0				\$0	\$0				\$0
39	Smart Meter OM&A Variance ¹⁰	1556	\$0				\$0	\$0				\$0
40	IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁹	1575										
41	Accounting Changes Under CGAAP Balance + Return Component ⁹	1576										

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the

¹ Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

^{1A} Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2008 EDR and subsequent years as ordered by the Board.

² Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

³ For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

⁴ Please describe "other" components of 1508 and add more component lines if necessary.

⁵ 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

⁶ If the LDC's 2014 rate year begins January 1, 2014, the projected interest is recorded from January 1, 2013 to December 31,

2013 on the December 31, 2012 balance adjusted for the disposed balances approved by the Board in the 2013 rate decision.

If the LDC's 2013 rate year begins May 1, 2014 the projected interest is recorded from January 1, 2013 to April 30, 2014 on the

⁸ As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1, 2011 will require a variance account for OCEB purposes... The Board expects that any principal balances in "Sub-account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be addressed through the monthly settlement process with the IESO or the host distributor, as applicable.

⁹ The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the

"Other Adjustments during Q4 2012" column of the continuity schedule, please enter the amounts to be included in the Account

1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide the value in

¹⁰ Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account rate rider. For details on how to dispose of balances in Smart Meter accounts see the Board's

Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

2015 Deferral/Variance Account Workform

			2011										
Account Descriptions			Account Number	Opening Principal Amounts as of Jan-1-11	Transactions Debit/(Credit) during 2011 excluding interest and adjustments ¹	Board-Approved Disposition during 2011	Adjustments during 2010 - other ²	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	Board-Approved Disposition during 2011	Adjustments during 2011 - other ²	Closing Interest Amounts as of Dec-31-11
Group 1 Accounts							Transfer In / Approved					Transfer In / Approved	
1	LV Variance Account	1550	\$0					\$0	\$0				\$0
2	Smart Metering Entity Charge Variance Account	1551	\$0					\$0	\$0				\$0
3	RSVA - Wholesale Market Service Charge	1580	\$0					\$0	\$0				\$0
4	RSVA - Retail Transmission Network Charge	1584	\$0					\$0	\$0				\$0
5	RSVA - Retail Transmission Connection Charge	1586	\$0					\$0	\$0				\$0
6	RSVA - Power (excluding Global Adjustment)	1588	\$0					\$0	\$0				\$0
7	RSVA - Global Adjustment	1589	\$0					\$0	\$0				\$0
8	Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	\$0					\$0	\$0				\$0
9	Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$0					\$0	\$0				\$0
10	Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	-\$10,021,382	\$3,687,137				-\$6,334,246	-\$1,283,117	-\$122,130			-\$1,405,247
11	Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	\$0	-\$254,191			\$1,151,115	\$896,924	\$0	\$9,504		\$127,965	\$137,469
12	Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	\$0					\$0	\$0				\$0
	Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	\$0					\$0	\$0				\$0
Group 1 Sub-Total (including Account 1589 - Global Adjustment)				-\$10,021,382	\$3,432,946	\$0	\$1,151,115	-\$5,437,321	-\$1,283,117	-\$112,626	\$0	\$127,965	-\$1,267,777
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)				-\$10,021,382	\$3,432,946	\$0	\$1,151,115	-\$5,437,321	-\$1,283,117	-\$112,626	\$0	\$127,965	-\$1,267,777
RSVA - Global Adjustment			1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 2 Accounts													
13	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$91,451	\$3,000				\$94,451	\$781	\$1,355			\$2,136
14	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$1,436			\$750		\$686	\$18	\$6	\$8		\$16
15	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ⁸	1508	\$0					\$0	\$0				\$0
16	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	\$0					\$0	\$0				\$0
17	Other Regulatory Assets - Sub-Account - Other ⁴ OMERS Difference - 2011 COS Settlement Agreement Item	1508	\$0	\$48,310				\$48,310	\$0				\$0
	Other Regulatory Assets - Sub-Account - Other ⁴ Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	\$0	\$310,846				\$310,846	\$0				\$0
18	Retail Cost Variance Account - Retail	1518	-\$302,456	-\$30,750	-\$256,142			-\$77,065	-\$20,828	-\$862	-\$20,620		-\$1,070
19	Misc. Deferred Debits	1525	\$0					\$0	\$0				\$0
20	Renewable Generation Connection Capital Deferral Account	1531	\$0					\$0	\$0				\$0
21	Renewable Generation Connection OM&A Deferral Account	1532	\$0					\$0	\$0				\$0
22	Renewable Generation Connection Funding Adder Deferral Account	1533	\$0					\$0	\$0				\$0
23	Smart Grid Capital Deferral Account	1534	\$0					\$0	\$0				\$0
24	Smart Grid OM&A Deferral Account	1535	\$0					\$0	\$0				\$0
25	Smart Grid Funding Adder Deferral Account	1536	\$0					\$0	\$0				\$0
26	Retail Cost Variance Account - STR	1548	-\$15,702	-\$1,587	-\$13,478			-\$3,811	-\$1,231	-\$44	-\$1,220		-\$55
27	Board-Approved CDM Variance Account	1567	\$0					\$0	\$0				\$0
28	Extra-Ordinary Event Costs	1572	\$0					\$0	\$0				\$0
29	Deferred Rate Impact Amounts	1574	\$0					\$0	\$0				\$0
30	RSVA - One-time	1582	\$0					\$0	\$0				\$0
31	Other Deferred Credits	2425	\$0					\$0	\$0				\$0
Group 2 Sub-Total				-\$225,271	\$329,819	-\$268,870	\$0	\$373,418	-\$21,260	\$455	-\$21,832	\$0	\$1,027
32	Deferred Payments in Lieu of Taxes	1562	\$0					\$0	\$0				\$0
33	PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	-\$39,416	-\$13,178				-\$52,594	-\$206	-\$676			-\$882
34	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	-\$30,733					-\$30,733	-\$73	-\$452			-\$525
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)				-\$10,316,803	\$3,749,587	-\$268,870	\$1,151,115	-\$5,147,231	-\$1,304,655	-\$113,299	-\$21,832	\$127,965	-\$1,268,157
35	LRAM Variance Account	1568	\$0	\$20,556				\$20,556	\$0	\$138			\$138
Total including Account 1568				-\$10,316,803	\$3,770,142	-\$268,870	\$1,151,115	-\$5,126,675	-\$1,304,655	-\$113,161	-\$21,832	\$127,965	-\$1,268,019
36	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ¹⁰	1555	\$0					\$0	\$0				\$0
37	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ¹⁰	1555	\$0					\$0	\$0				\$0
38	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ¹⁰	1555	\$0					\$0	\$0				\$0
39	Smart Meter OM&A Variance ¹⁰	1556	\$0					\$0	\$0				\$0
40	IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁹	1575											
41	Accounting Changes Under CGAAP Balance + Return Component ⁹	1576											

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as

¹ Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

^{1A} Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2008 EDR and subsequent years as ordered by the Board.

² Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

³ For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

⁴ Please describe "other" components of 1508 and add more component lines if necessary.

⁵ 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

⁶ If the LDC's 2014 rate year begins January 1, 2014, the projected interest is recorded from January 1, 2013 to December 31, 2013 on the December 31, 2012 balance adjusted for the disposed balances approved by the Board in the 2013 rate decision. If the LDC's 2013 rate year begins May 1, 2014 the projected interest is recorded from January 1, 2013 to April

⁸ As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1, 2011 will require a variance account for OCEB purposes... The Board expects that any principal balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be addressed through the monthly settlement process with the IESO or the host distributor, as applicable.

⁹ The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the

"Other Adjustments during Q4 2012" column of the continuity schedule, please enter the amounts to be included in the Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide

¹⁰ Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account rate rider. For details on how to dispose of balances in Smart Meter accounts see the Board's Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

2015 Deferral/Variance Account Workform

		2012													
Account Descriptions		Account Number	Opening Principal Amounts as of Jan-1-12	Transactions Debit/(Credit) during 2012 excluding interest and adjustments ¹	Board-Approved Disposition during 2012	Other ² Adjustments during Q1 2012	Other ² Adjustments during Q2 2012	Other ² Adjustments during Q3 2012	Other ² Adjustments during Q4 2012	Closing Principal Balance as of Dec-31-12	Opening Interest Amounts as of Jan-1-12	Interest Jan-1 to Dec-31-12	Board-Approved Disposition during 2012	Adjustments during 2012 - other ²	Closing Interest Amounts as of Dec-31-12
Group 1 Accounts							Transfer In / Approved							Transfer In / Approved	
1	LV Variance Account	1550	\$0							\$0	\$0				\$0
2	Smart Metering Entity Charge Variance Account	1551	\$0							\$0	\$0				\$0
3	RSVA - Wholesale Market Service Charge	1580	\$0							\$0	\$0				\$0
4	RSVA - Retail Transmission Network Charge	1584	\$0							\$0	\$0				\$0
5	RSVA - Retail Transmission Connection Charge	1586	\$0							\$0	\$0				\$0
6	RSVA - Power (excluding Global Adjustment)	1588	\$0							\$0	\$0				\$0
7	RSVA - Global Adjustment	1589	\$0							\$0	\$0				\$0
8	Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	\$0							\$0	\$0				\$0
9	Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$0							\$0	\$0				\$0
10	Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	-\$6,334,246	\$3,694,955						-\$2,639,291	-\$1,405,247	-\$68,060			-\$1,473,307
11	Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	\$896,924	-\$421,457						\$475,467	\$137,469	\$10,340			\$147,809
12	Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	\$0	\$1,758,134			-\$4,597,499			-\$2,839,365	\$0	-\$37,282		-\$187,943	-\$225,225
	Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	\$0							\$0	\$0				\$0
Group 1 Sub-Total (including Account 1589 - Global Adjustment)			-\$5,437,321	\$5,031,632	\$0	\$0	-\$4,597,499	\$0	\$0	-\$5,003,188	-\$1,267,777	-\$95,002	\$0	-\$187,943	-\$1,550,723
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)			-\$5,437,321	\$5,031,632	\$0	\$0	-\$4,597,499	\$0	\$0	-\$5,003,188	-\$1,267,777	-\$95,002	\$0	-\$187,943	-\$1,550,723
RSVA - Global Adjustment			1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 2 Accounts															
13	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$94,451							\$94,451	\$2,136	\$1,388			\$3,525
14	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$686							\$686	\$16	\$10			\$26
	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ³	1508	\$0							\$0	\$0				\$0
	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	\$0							\$0	\$0				\$0
17	Other Regulatory Assets - Sub-Account - Other ⁴ OMERS Difference - 2011 COS Settlement Agreement Item	1508	\$48,310	\$29,829						\$78,139	\$0				\$0
	Other Regulatory Assets - Sub-Account - Other ⁴ Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	\$310,846	\$539,052						\$849,898	\$0				\$0
18	Retail Cost Variance Account - Retail	1518	-\$77,065	-\$21,202						-\$98,266	-\$1,070	-\$1,256			-\$2,327
19	Misc. Deferred Debits	1525	\$0							\$0	\$0				\$0
20	Renewable Generation Connection Capital Deferral Account	1531	\$0							\$0	\$0				\$0
21	Renewable Generation Connection OM&A Deferral Account	1532	\$0							\$0	\$0				\$0
22	Renewable Generation Connection Funding Adder Deferral Account	1533	\$0							\$0	\$0				\$0
23	Smart Grid Capital Deferral Account	1534	\$0							\$0	\$0				\$0
24	Smart Grid OM&A Deferral Account	1535	\$0							\$0	\$0				\$0
25	Smart Grid Funding Adder Deferral Account	1536	\$0							\$0	\$0				\$0
26	Retail Cost Variance Account - STR	1548	-\$3,811	-\$1,280						-\$5,091	-\$55	-\$64			-\$119
27	Board-Approved CDM Variance Account	1567	\$0							\$0	\$0				\$0
28	Extra-Ordinary Event Costs	1572	\$0							\$0	\$0				\$0
29	Deferred Rate Impact Amounts	1574	\$0							\$0	\$0				\$0
30	RSVA - One-time	1582	\$0							\$0	\$0				\$0
31	Other Deferred Credits	2425	\$0							\$0	\$0				\$0
Group 2 Sub-Total			\$373,418	\$546,400	\$0	\$0	\$0	\$0	\$0	\$919,818	\$1,027	\$78	\$0	\$0	\$1,105
32	Deferred Payments in Lieu of Taxes	1562	\$0							\$0	\$0				\$0
33	PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	-\$52,594							-\$52,594	-\$882	-\$773			-\$1,655
34	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	-\$30,733							-\$30,733	-\$525	-\$452			-\$976
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)			-\$5,147,231	\$5,578,032	\$0	\$0	-\$4,597,499	\$0	\$0	-\$4,166,698	-\$1,268,157	-\$96,149	\$0	-\$187,943	-\$1,552,250
35	LRAM Variance Account	1568	\$20,556	\$137,477						\$158,032	\$138	\$1,228			\$1,367
Total including Account 1568			-\$5,126,675	\$5,715,508	\$0	\$0	-\$4,597,499	\$0	\$0	-\$4,008,666	-\$1,268,019	-\$94,921	\$0	-\$187,943	-\$1,550,883
36	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ¹⁰	1555	\$0							\$0	\$0				\$0
37	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ¹⁰	1555	\$0							\$0	\$0				\$0
38	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ¹⁰	1555	\$0							\$0	\$0				\$0
39	Smart Meter OM&A Variance ¹⁰	1556	\$0							\$0	\$0				\$0
40	IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁹	1575								\$0	\$0				\$0
41	Accounting Changes Under CGAAP Balance + Return Component ⁹	1576							-\$853,444	-\$853,444	\$0				\$0

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¹ Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

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² Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

³ For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

⁴ Please describe "other" components of 1508 and add more component lines if necessary.

⁵ 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

⁶ If the LDC's 2014 rate year begins January 1, 2014, the projected interest is recorded from January 1, 2013 to December 31, 2013 on the December 31, 2012 balance adjusted for the disposed balances approved by the Board in the 2013 rate decision. If the LDC's 2013 rate year begins May 1, 2014 the projected interest is recorded from January 1, 2013 to April 30, 2014.

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⁹ The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the

"Other Adjustments during Q4 2012" column of the continuity schedule, please enter the amounts to be included in the

Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide

¹⁰ Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account rate rider. For details on how to dispose of balances in Smart Meter accounts see the Board's Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

2015 Deferral/Variance Account Workform

2013

Account Descriptions		Account Number	Opening Principal Amounts as of Jan-1-13	Transactions Debit/ (Credit) during 2013 excluding Interest and adjustments ³	Board-Approved Disposition during 2013	Other 2 Adjustments during Q1 2013	Other 2 Adjustments during Q2 2013	Other 2 Adjustments during Q3 2013	Other 2 Adjustments during Q4 2013	Closing Principal Balance as of Dec-31-13	Opening Interest Amounts as of Jan-1-13	Interest Jan-1 to Dec-31-13	Board-Approved Disposition during 2013	Adjustments during 2013 - other 2	Closing Interest Amounts as of Dec-31-13
Group 1 Accounts															
1	LV Variance Account	1550	\$0						\$101,650	\$101,650	\$0	\$562		\$1,992	\$2,554
2	Smart Metering Entity Charge Variance Account	1551	\$0						\$32,301	\$32,301	\$0	\$314		\$633	\$947
3	RSVA - Wholesale Market Service Charge	1580	\$0						-\$926,113	-\$926,113	\$0	-\$9,907		-\$18,152	-\$28,059
4	RSVA - Retail Transmission Network Charge	1584	\$0						-\$422,798	-\$422,798	\$0	-\$2,708		-\$8,287	-\$10,994
5	RSVA - Retail Transmission Connection Charge	1586	\$0						-\$267,572	-\$267,572	\$0	-\$2,098		-\$5,244	-\$7,342
6	RSVA - Power (excluding Global Adjustment)	1588	\$0						-\$462,831	-\$462,831	\$0	\$595		-\$9,071	-\$8,477
7	RSVA - Global Adjustment	1589	\$0						\$430,530	\$430,530	\$0	\$17,178		\$8,438	\$25,616
8	Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	\$0							\$0	\$0				\$0
9	Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$0							\$0	\$0				\$0
10	Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	-\$2,639,291	\$3,685,142						\$1,045,851	-\$1,473,307	-\$13,949			-\$1,487,256
11	Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	\$475,467	-\$412,337						\$63,131	\$147,809	\$4,248			\$152,058
12	Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	-\$2,839,365	\$2,598,269						-\$241,096	-\$225,225	-\$24,247			-\$249,472
	Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	\$0	\$1,355,619						-\$469,185	\$0	-\$12,222		-\$45,811	-\$58,033
Group 1 Sub-Total (including Account 1589 - Global Adjustment)			-\$5,003,188	\$7,226,693	\$0	\$0	-\$1,824,804	\$0	-\$1,514,833	-\$1,116,132	-\$1,550,723	-\$42,234	\$0	-\$75,502	-\$1,668,459
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)			-\$5,003,188	\$7,226,693	\$0	\$0	-\$1,824,804	\$0	-\$1,945,363	-\$1,546,662	-\$1,550,723	-\$59,412	\$0	-\$83,940	-\$1,694,075
RSVA - Global Adjustment		1589	\$0	\$0	\$0	\$0	\$0	\$0	\$430,530	\$430,530	\$0	\$17,178	\$0	\$8,438	\$25,616
Group 2 Accounts															
13	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$94,451	\$6,685						\$101,136	\$3,525	\$1,462			\$4,987
14	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$696	\$1,054						\$1,740	\$26	\$15			\$41
	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ⁸														
15	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	\$0							\$0	\$0				\$0
16	Other Regulatory Assets - Sub-Account - Other ⁴ OMERS Difference - 2011 COS Settlement Agreement Item	1508	\$78,139	-\$3,462						\$74,677	\$0				\$0
17	Other Regulatory Assets - Sub-Account - Other ⁴ Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	\$849,898	-\$612,753						\$237,145	\$0				\$0
18	Retail Cost Variance Account - Retail	1518	-\$98,266	-\$17,815						-\$116,081	-\$2,327	-\$1,534			-\$3,861
19	Misc. Deferred Debits	1525	\$0							\$0	\$0				\$0
20	Renewable Generation Connection Capital Deferral Account	1531	\$0							\$0	\$0				\$0
21	Renewable Generation Connection OM&A Deferral Account	1532	\$0							\$0	\$0				\$0
22	Renewable Generation Connection Funding Adder Deferral Account	1533	\$0							\$0	\$0				\$0
23	Smart Grid Capital Deferral Account	1534	\$0							\$0	\$0				\$0
24	Smart Grid OM&A Deferral Account	1535	\$0							\$0	\$0				\$0
25	Smart Grid Funding Adder Deferral Account	1536	\$0							\$0	\$0				\$0
26	Retail Cost Variance Account - STR	1548	-\$5,091	-\$794						-\$5,885	-\$119	-\$81			-\$200
27	Board-Approved CDM Variance Account	1567	\$0							\$0	\$0				\$0
28	Extra-Ordinary Event Costs	1572	\$0							\$0	\$0				\$0
29	Deferred Rate Impact Amounts	1574	\$0							\$0	\$0				\$0
30	RSVA - One-time	1582	\$0							\$0	\$0				\$0
31	Other Deferred Credits	2425	\$0							\$0	\$0				\$0
Group 2 Sub-Total			\$919,818	-\$627,084	\$0	\$0	\$0	\$0	\$0	\$292,733	\$1,105	-\$137	\$0	\$0	\$968
32	Deferred Payments in Lieu of Taxes	1562	\$0							\$0	\$0				\$0
33	PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	-\$52,594							-\$52,594	-\$1,655	-\$773			-\$2,428
34	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	-\$30,733							-\$30,733	-\$976	-\$452			-\$1,428
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)			-\$4,166,698	\$6,599,609	\$0	\$0	-\$1,824,804	\$0	-\$1,514,833	-\$906,726	-\$1,552,250	-\$43,596	\$0	-\$75,502	-\$1,671,347
35	LRAM Variance Account	1568	\$158,032	\$209,978						\$368,010	\$1,367	\$3,738			\$5,105
Total including Account 1568			-\$4,008,666	\$6,809,587	\$0	\$0	-\$1,824,804	\$0	-\$1,514,833	-\$538,716	-\$1,550,883	-\$39,858	\$0	-\$75,502	-\$1,666,243
36	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ¹⁰	1555	\$0							\$0	\$0				\$0
37	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ¹⁰	1555	\$0							\$0	\$0				\$0
38	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ¹⁰	1555	\$0							\$0	\$0				\$0
39	Smart Meter OM&A Variance ¹⁰	1556	\$0							\$0	\$0				\$0
40	IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁹	1575								\$0	\$0				\$0
41	Accounting Changes Under CGAAP Balance + Return Component ⁹	1576								\$0	\$0				\$0

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as

¹ Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

^{1A} Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2008 EDR and subsequent years as ordered by the Board.

² Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

³ For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

⁴ Please describe "other" components of 1508 and add more component lines if necessary.

⁵ 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

⁶ If the LDC's 2014 rate year begins January 1, 2014, the projected interest is recorded from January 1, 2013 to December 31, 2013 on the December 31, 2012 balance adjusted for the disposed balances approved by the Board in the 2013 rate decision. If the LDC's 2013 rate year begins May 1, 2014 the projected interest is recorded from January 1, 2013 to April

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¹⁰ The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the

"Other Adjustments during Q4 2012" column of the continuity schedule, please enter the amounts to be included in the

Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide

¹¹ Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account rate rider. For details on how to dispose of balances in Smart Meter accounts see the Board's

Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

2015 Deferral/Variance Account Workform

		2014					
Account Descriptions		Account Number	Opening Principal Amounts as of Jan-1-14	Transactions Debit / (Credit) during 2014 excluding interest and adjustments ³	Closing Principal Balance as of Dec 31-14	Opening Interest Amounts as of Jan-1-14	Closing Interest Amounts as of Dec-31-14
Group 1 Accounts							
1	LV Variance Account	1550	\$101,650	\$99,111	\$200,761	\$2,554	\$843
2	Smart Metering Entity Charge Variance Account	1551	\$32,301	-\$10,038	\$22,263	\$947	-\$63
3	RSVA - Wholesale Market Service Charge	1580	-\$926,113	-\$177,404	-\$1,103,517	-\$28,059	\$9,862
4	RSVA - Retail Transmission Network Charge	1584	-\$422,798	-\$251,888	-\$674,686	-\$10,994	-\$2,634
5	RSVA - Retail Transmission Connection Charge	1586	-\$267,572	-\$33,234	-\$300,806	-\$7,342	-\$121
6	RSVA - Power (excluding Global Adjustment)	1588	-\$462,831	\$1,040,210	\$577,379	-\$8,477	\$3,907
7	RSVA - Global Adjustment	1589	\$430,530	\$2,293,411	\$2,723,941	\$25,616	\$13,175
8	Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	\$0		\$0	\$0	\$0
9	Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$0		\$0	\$0	\$0
10	Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	\$1,045,851	\$1,239,998	\$2,285,850	-\$1,487,256	\$30,133
11	Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	\$63,131	-\$128,124	-\$64,993	\$152,058	-\$563
12	Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	-\$241,096	\$866,995	\$625,899	-\$249,472	\$6,814
	Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	-\$469,185	\$737,214	\$268,029	-\$58,033	\$1,579
Group 1 Sub-Total (including Account 1589 - Global Adjustment)			-\$1,116,132	\$5,676,251	\$4,560,119	-\$1,668,459	\$62,933
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)			-\$1,546,662	\$3,382,840	\$1,836,179	-\$1,694,075	\$49,757
RSVA - Global Adjustment		1589	\$430,530	\$2,293,411	\$2,723,941	\$25,616	\$13,175
Group 2 Accounts							
13	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$101,136		\$101,136	\$4,987	\$1,487
14	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$1,740	\$895	\$2,634	\$41	\$32
	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ⁸	1508	\$0		\$0	\$0	\$0
15	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	\$0		\$0	\$0	\$0
16	Other Regulatory Assets - Sub-Account - Other ⁴ OMERS Difference - 2011 COS Settlement Agreement Item	1508	\$74,677		\$74,677	\$0	\$0
17	Other Regulatory Assets - Sub-Account - Other ⁴ Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	\$237,145	\$195,712	\$432,857	\$0	\$0
18	Retail Cost Variance Account - Retail	1518	-\$116,081	-\$14,631	-\$130,712	-\$3,861	-\$1,770
19	Misc. Deferred Debits	1525	\$0	\$8,176	\$8,176	\$0	\$0
20	Renewable Generation Connection Capital Deferral Account	1531	\$0		\$0	\$0	\$0
21	Renewable Generation Connection OM&A Deferral Account	1532	\$0		\$0	\$0	\$0
22	Renewable Generation Connection Funding Adder Deferral Account	1533	\$0		\$0	\$0	\$0
23	Smart Grid Capital Deferral Account	1534	\$0		\$0	\$0	\$0
24	Smart Grid OM&A Deferral Account	1535	\$0		\$0	\$0	\$0
25	Smart Grid Funding Adder Deferral Account	1536	\$0		\$0	\$0	\$0
26	Retail Cost Variance Account - STR	1548	-\$5,885	-\$902	-\$6,786	-\$200	-\$84
27	Board-Approved CDM Variance Account	1567	\$0		\$0	\$0	\$0
28	Extra-Ordinary Event Costs	1572	\$0		\$0	\$0	\$0
29	Deferred Rate Impact Amounts	1574	\$0		\$0	\$0	\$0
30	RSVA - One-time	1582	\$0		\$0	\$0	\$0
31	Other Deferred Credits	2425	\$0		\$0	\$0	\$0
Group 2 Sub-Total			\$292,733				
32	Deferred Payments in Lieu of Taxes	1562	\$0		\$0	\$0	\$0
33	PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	-\$52,594	-\$773	-\$53,367	-\$2,428	-\$2,428
34	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	-\$30,733		-\$30,733	-\$1,428	-\$452
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)			-\$906,726			-\$1,671,347	\$0
35	LRAM Variance Account	1568	\$368,010		\$368,010	\$5,105	\$5,410
Total including Account 1568			-\$538,716			-\$1,666,243	-\$1,666,243
36	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ¹⁰	1555	\$0		\$0	\$0	\$0
37	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ¹⁰	1555	\$0		\$0	\$0	\$0
38	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ¹⁰	1555	\$0	\$1,363,997	\$1,363,997	\$0	\$0
39	Smart Meter OM&A Variance ¹⁰	1556	\$0		\$0	\$0	\$0
40	IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁹	1575	\$0		\$0	\$0	\$0
41	Accounting Changes Under CGAAP Balance + Return Component ⁹	1576	\$0		\$0	\$0	\$0

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as

¹ Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

^{1A} Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2008 EDR and subsequent years as ordered by the Board.

² Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

³ For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

⁴ Please describe "other" components of 1508 and add more component lines if necessary.

⁵ 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

⁶ If the LDC's 2014 rate year begins January 1, 2014, the projected interest is recorded from January 1, 2013 to December 31, 2013 on the December 31, 2012 balance adjusted for the disposed balances approved by the Board in the 2013 rate decision.

⁸ As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit.

⁹ By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1, 2011 will require a variance account for OCEB purposes... The Board expects that any principal balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be addressed through the monthly settlement process with the IESO or the host distributor, as applicable.

¹⁰ The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the "Other Adjustments during Q4 2012" column of the continuity schedule, please enter the amounts to be included in the Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide

¹¹ Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account rate rider. For details on how to dispose of balances in Smart Meter accounts see the Board's Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

2015 Deferral/Variance Account Workform

		2015				Projected Interest on Dec-31-13 Balances			2.1.7 RRR			
Account Descriptions		Account Number	Principal Disposition during 2015 - instructed by Board	Interest Disposition during 2015 - instructed by Board	Closing Principal Balances as of Dec 31-14 Adjusted for Dispositions during 2015	Closing Interest Balances as of Dec 31-14 Adjusted for Dispositions during 2015	Projected Interest from Jan 1, 2015 to December 31, 2015 on Dec 31 -14 balance adjusted for disposition during 2015 ^a	Projected Interest from January 1, 2015 to April 30, 2015 on Dec 31 -13 balance adjusted for disposition during 2014 ^a N/A	Total Claim	As of Dec 31-14	Variance RRR vs. 2013 Balance (Principal + Interest)	
Group 1 Accounts												
1	LV Variance Account	1550	\$101,650	\$2,554	\$99,111	\$843	\$1,182		\$101,136	\$203,746	-\$412	
2	Smart Metering Entity Charge Variance Account	1551	\$32,301	\$947	-\$10,038	-\$63	-\$120		-\$10,221	\$22,988	-\$158	
3	RSVA - Wholesale Market Service Charge	1580	-\$926,113	-\$28,059	-\$177,404	\$9,862	-\$2,116		-\$169,657	-\$1,117,176	\$4,538	
4	RSVA - Retail Transmission Network Charge	1584	-\$422,798	-\$10,994	-\$251,888	-\$2,634	-\$3,004		-\$257,526	-\$686,242	\$2,072	
5	RSVA - Retail Transmission Connection Charge	1586	-\$267,572	-\$7,342	-\$33,234	-\$121	-\$396		-\$33,751	-\$306,958	\$1,311	
6	RSVA - Power (excluding Global Adjustment)	1588	-\$462,831	-\$8,477	\$1,040,210	\$3,907	\$12,405		\$1,056,522	\$575,077	\$2,268	
7	RSVA - Global Adjustment	1589	\$430,530	\$25,616	\$2,293,411	\$13,175	\$27,349		\$2,333,935	\$2,760,622	-\$2,110	
8	Disposition and Recovery/Refund of Regulatory Balances (2008)	1595			\$0	\$0			\$0		\$0	
9	Disposition and Recovery/Refund of Regulatory Balances (2009)	1595							\$0		\$0	
10	Disposition and Recovery/Refund of Regulatory Balances (2010)	1595			\$2,285,850	-\$1,457,123	\$27,259		\$855,985	\$828,727	\$0	
11	Disposition and Recovery/Refund of Regulatory Balances (2011)	1595			-\$64,993	\$151,494	-\$775		\$85,726	\$86,501	\$0	
12	Disposition and Recovery/Refund of Regulatory Balances (2012)	1595			\$625,899	-\$242,658	\$7,464		\$390,705	\$383,242	\$0	
	Disposition and Recovery/Refund of Regulatory Balances (2013)	1595			\$268,029	-\$56,454	\$3,196		\$214,771	\$211,575	\$0	
Group 1 Sub-Total (including Account 1589 - Global Adjustment)			-\$1,514,833	-\$25,755	\$6,074,952	-\$1,579,771	\$72,444	\$0	\$4,567,625	\$2,962,102	\$7,509	
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)			-\$1,945,363	-\$51,371	\$3,781,541	-\$1,592,946	\$45,095	\$0	\$2,233,690	\$201,480	\$9,619	
RSVA - Global Adjustment			1589	\$430,530	\$25,616	\$2,293,411	\$13,175	\$27,349	\$0	\$2,333,935	\$2,760,622	-\$2,110
Group 2 Accounts												
13	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508			\$101,136	\$6,474	\$1,206		\$108,816	\$107,610	-\$0	
14	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508			\$2,634	\$73	\$31		\$2,739	\$2,708	\$1	
15	Ontario Clean Energy Benefit Act ⁸	1508			\$0	\$0			\$0		\$0	
16	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508			\$0	\$0			\$0		\$0	
17	Other Regulatory Assets - Sub-Account - Other ⁴ OMERS Difference - 2011 COS Settlement Agreement Item	1508			\$74,677	\$0			\$74,677	\$74,677	-\$0	
18	Other Regulatory Assets - Sub-Account - Other ⁴ Capital Gain Variance - 2011 COS Settlement Agreement Item	1508			\$432,857	\$0			\$432,857	\$432,854	-\$3	
19	Retail Cost Variance Account - Retail	1518			-\$130,712	-\$5,631	-\$1,559		-\$137,902	-\$136,343	\$1	
20	Misc. Deferred Debits	1525			\$8,176	\$0			\$8,176	\$8,176	\$0	
21	Renewable Generation Connection Capital Deferral Account	1531			\$0	\$0			\$0		\$0	
22	Renewable Generation Connection OM&A Deferral Account	1532			\$0	\$0			\$0		\$0	
23	Renewable Generation Connection Funding Adder Deferral Account	1533			\$0	\$0			\$0		\$0	
24	Smart Grid Capital Deferral Account	1534			\$0	\$0			\$0		\$0	
25	Smart Grid OM&A Deferral Account	1535			\$0	\$0			\$0		\$0	
26	Smart Grid Funding Adder Deferral Account	1536			\$0	\$0			\$0		\$0	
27	Retail Cost Variance Account - STR	1548			-\$6,786	-\$293	-\$81		-\$7,160	-\$7,079	\$0	
28	Board-Approved CDM Variance Account	1567			\$0	\$0			\$0		\$0	
29	Extra-Ordinary Event Costs	1572			\$0	\$0			\$0		\$0	
30	Deferred Rate Impact Amounts	1574			\$0	\$0			\$0		\$0	
31	RSVA - One-time	1582			\$0	\$0			\$0		\$0	
32	Other Deferred Credits	2425			\$0	\$0			\$0		\$0	
Group 2 Sub-Total			\$0	\$0	\$481,984	\$622	-\$402	\$0	\$482,204	\$482,604	-\$2	
33	Deferred Payments in Lieu of Taxes	1562			\$0	\$0			\$0		\$0	
34	PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592			-\$53,367	-\$2,428	-\$636		-\$56,432	-\$55,795	\$0	
	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT	1592										
	Input Tax Credits (ITCs)	1592			-\$30,733	-\$1,880	-\$366		-\$32,980	\$0	\$32,613	
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)			-\$1,514,833	-\$25,755	\$6,472,836	-\$1,583,457	\$71,039	\$0	\$4,960,417	\$3,388,911	\$3,388,911	
35	LRAM Variance Account	1568			\$368,010	\$10,514	\$4,389		\$382,913	\$378,525	\$0	
Total including Account 1568			-\$1,514,833	-\$25,755	\$6,840,846	-\$1,572,943	\$75,427	\$0	\$5,343,331	\$3,767,436	\$5,433,678	
36	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ¹⁰	1555			\$0	\$0			\$0		\$0	
37	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ¹⁰	1555			\$0	\$0			\$0		\$0	
38	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ¹⁰	1555			\$1,363,997	\$0			\$1,363,997	\$1,363,996	-\$0	
39	Smart Meter OM&A Variance ¹⁰	1556			\$0	\$0			\$0		\$0	
40	IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁹	1575			\$0	\$0			\$0		\$0	
41	Accounting Changes Under CGAAP Balance + Return Component ⁹	1576			\$0	\$0			\$0		\$0	

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as

¹ Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

^{1A} Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2008 EDR and subsequent years as ordered by the Board.

² Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

³ For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

⁴ Please describe "other" components of 1508 and add more component lines if necessary.

⁵ 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

⁶ If the LDC's 2014 rate year begins January 1, 2014, the projected interest is recorded from January 1, 2013 to December 31, 2013 on the December 31, 2012 balance adjusted for the disposed balances approved by the Board in the 2013 rate decision. If the LDC's 2013 rate year begins May 1, 2014 the projected interest is recorded from January 1, 2013 to April

⁸ As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1, 2011 will require a variance account for OCEB purposes... The Board expects that any principal balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be addressed through the monthly settlement process with the IESO or the host distributor, as applicable.

⁹ The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the

"Other Adjustments during Q4 2012" column of the continuity schedule, please enter the amounts to be included in the Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide

¹⁰ Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account rate rider. For details on how to dispose of balances in Smart Meter accounts see the Board's Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)



Deferral/Variance Account Workform for 2014 Filers

Accounts that produced a variance on the 2014 continuity schedule are listed below.
Please provide a detailed explanation for each variance below.

Account Descriptions	Account Number	Variance RRR vs. 2013 Balance (Principal + Interest)	Explanation
Group 1 Accounts			
LV Variance Account	1550	\$ (412)	Difference is \$498 Projected Jan-Apr 2015 Interest in Column BG which was approved by the Board in the 2015 IRM 2014-0119 and a correction adjustment of \$86 interest
Smart Metering Entity Charge Variance Account	1551	\$ (158)	Difference is Projected Jan-Apr 2015 Interest in Column BG which was approved by the Board in the 2015 IRM 2014-0119
RSVA - Wholesale Market Service Charge	1580	\$ 4,538	Difference is Projected Jan-Apr 2015 Interest in Column BG which was approved by the Board in the 2015 IRM 2014-0119
RSVA - Retail Transmission Network Charge	1584	\$ 2,072	Difference is Projected Jan-Apr 2015 Interest in Column BG which was approved by the Board in the 2015 IRM 2014-0119
RSVA - Retail Transmission Connection Charge	1586	\$ 1,311	Difference is Projected Jan-Apr 2015 Interest in Column BG which was approved by the Board in the 2015 IRM 2014-0119
RSVA - Power (excluding Global Adjustment)	1588	\$ 2,268	Difference is Projected Jan-Apr 2015 Interest in Column BG which was approved by the Board in the 2015 IRM 2014-0119
RSVA - Global Adjustment	1589	\$ (2,110)	Difference is Projected Jan-Apr 2015 Interest in Column BG which was approved by the Board in the 2015 IRM 2014-0119
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	\$ -	
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$ -	
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	\$ 0	
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	\$ 0	
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	\$ 0	
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	\$ 0	



Accounts that produced a variance on the 2014 continuity schedule are listed below.

Account Descriptions	Account Number	Variance RRR vs. 2013 Balance (Principal + Interest)	Explanation
Group 2 Accounts			
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ (0)	
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ 1	Rounding
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act	1508	\$ -	
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	\$ -	
Other Regulatory Assets - Sub-Account - Other 4 OMERS Difference - 2011 COS Settlement Agreement Item	1508	\$ (0)	
Other Regulatory Assets - Sub-Account - Other 4 Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	\$ -	
Retail Cost Variance Account - Retail	1518	\$ 1	Rounding
Misc. Deferred Debits	1525	\$ -	
Renewable Generation Connection Capital Deferral Account	1531	\$ -	
Renewable Generation Connection OM&A Deferral Account	1532	\$ -	
Renewable Generation Connection Funding Adder Deferral Account	1533	\$ -	
Smart Grid Capital Deferral Account	1534	\$ -	
Smart Grid OM&A Deferral Account	1535	\$ -	
Smart Grid Funding Adder Deferral Account	1536	\$ -	
Retail Cost Variance Account - STR	1548	\$ 0	
Board-Approved CDM Variance Account	1567	\$ -	
Extra-Ordinary Event Costs	1572	\$ -	
Deferred Rate Impact Amounts	1574	\$ -	
RSVA - One-time	1582	\$ -	
Other Deferred Credits	2425	\$ -	
Deferred Payments in Lieu of Taxes	1562	\$ -	
PILs and Tax Variance for 2006 and Subsequent Years	1592	\$ 0	
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT	1592	\$ 32,613	As per the Board FAQ December 2010 for RRR Purposes the 1592 and its offsetting 1592 contra sub-account are to zero out, only upon disposition should the balance to customers be reflected. This represents 50% of the HST difference.
LRAM Variance Account	1568	\$ 0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ -	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ -	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	\$ (0)	
Smart Meter OM&A Variance	1556	\$ -	
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	\$ -	
Accounting Changes Under CGAAP Balance + Return Component	1576	\$ -	



2015 Deferral/Variance Account Workform

In the green shaded cells, enter the most recent Board Approved volumetric forecast. If there is a material difference between the latest Board-approved volumetric forecast and the most recent 12-month actual volumetric data, use the most recent 12-month actual data. Do not enter data for the MicroFit class.

Rate Class (Enter Rate Classes in cells below)	Units	# of Customers	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹
Residential	kWh	49,305	399,341,268		19,654,183	-	
General Service Less Than 50 kW	kWh	5,632	192,108,795		33,236,983	-	
General Service 50 to 4,999 kW	kW	693	710,364,299	1,746,786	656,095,388	1,613,339	
Large Use	kW	1	95,063,906	173,581	-	-	
Unmetered Scattered Load	kWh	14	3,140,372		2,747	-	
Street Lighting	kW	6	7,594,660	21,115	7,800,435	21,687	
Embedded Distributor	kW	1	31,378,863	71,406	33,007,642	75,112	
General Service Greater than 50 kW - MP	kW	2	6,823,514	12,620		-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
						-	
Total		55,654	1,445,815,676	2,025,508	749,797,378	1,710,138	\$ -

Residential	49,305	89.7%
General Service Less Than 50 kW	5,632	10.3%
	54,937	100.0%

¹ For Account 1562, the allocation to customer classes should be performed on the basis of the test year distribution revenue allocation to customer classes found in the Applicant's Cost of Service application that was most recently approved at the time of disposition of the 1562 account balances

² Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

In the green shaded cells, enter the most recent Board Approved volumetric forecast. If there is a

Rate Class (Enter Rate Classes in cells below)	1590 Recovery Share Proportion	1595 Recovery Share Proportion (2008) ²	1595 Recovery Share Proportion (2009) ²	1595 Recovery Share Proportion (2010) ²	1595 Recovery Share Proportion (2011) ²	1595 Recovery Share Proportion (2012) ²	1595 Recovery Share Proportion (2013) ²	1568 LRAM Variance Account Class Allocation (\$ amounts)
Residential				31.17%	10.12%	26.32%	32.68%	1,282
General Service Less Than 50 kW				13.98%	-1.14%	12.07%	14.60%	97,381
General Service 50 to 4,999 kW				47.33%	80.97%	52.73%	43.65%	292,108
Large Use				6.80%	9.15%	6.01%	6.80%	- 7,859
Unmetered Scattered Load				0.14%	0.65%	0.11%	0.13%	
Street Lighting				0.59%	0.26%	0.58%	0.48%	
Embedded Distributor						2.18%	1.67%	
General Service Greater than 50 kW - MP								
Total	0%	0%	0%	100%	100%	100%		\$ 382,913

Residential
General Service Less Than 50 kW

Balance as per Sheet 2 \$ 382,913
Variance \$ -

¹ For Account 1562, the allocation to customer classes should be performed on the basis of the test year distribution
² Residual Account balance to be allocated to rate classes in

2015 Deferral/Variance Account Workform

		Amounts from Sheet 2	Allocator	Residential	General Service Less Than 50 kW	General Service 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Street Lighting	Embedded Distributor
LV Variance Account	1550	101,136	kWh	27,934	13,438	49,690	6,650	220	531	2,195
Smart Metering Entity Charge Variance Account	1551	(10,221)	kWh	(9,173)	(1,048)					
RSVA - Wholesale Market Service Charge	1580	(169,657)	kWh	(46,860)	(22,543)	(84,158)	(11,155)	(369)	(891)	(3,682)
RSVA - Retail Transmission Network Charge	1584	(257,526)	kWh	(71,130)	(34,218)	(126,529)	(16,933)	(559)	(1,353)	(5,589)
RSVA - Retail Transmission Connection Charge	1586	(53,751)	kWh	(9,322)	(4,485)	(16,583)	(2,219)	(73)	(177)	(733)
RSVA - Power (excluding Global Adjustment)	1588	1,056,522	kWh	291,816	140,382	524,081	69,467	2,295	5,550	22,930
RSVA - Global Adjustment	1589	2,333,935	Non-RPP kWh	61,179	103,459	2,042,264	0	9	24,281	102,745
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	0		0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	0		0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	855,985	%	266,814	119,625	405,121	58,181	1,188	5,057	0
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	85,726	%	8,671	(976)	69,410	7,842	553	226	0
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	390,705	%	102,841	47,141	206,012	23,475	439	2,281	8,515
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	214,771	%	70,184	31,352	93,746	14,602	279	1,027	3,580
Total of Group 1 Accounts (excluding 1589)		2,233,690		631,775	288,669	1,120,791	149,911	3,973	12,251	27,217
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	108,816	kWh	30,055	14,459	53,464	7,155	236	572	2,362
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	2,739	kWh	757	364	1,346	180	6	14	59
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ⁸	1508	0		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	0		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Other 4 OMERS Difference - 2011 COS Settlement Agreement Item	1508	74,677	kWh	20,626	9,923	36,691	4,910	162	392	1,621
Other Regulatory Assets - Sub-Account - Other 4 Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	432,857	kWh	119,557	57,515	212,673	28,461	940	2,274	9,394
Retail Cost Variance Account - Retail	1518	(137,902)	# of Customers	(122,170)	(13,955)	(1,717)	(2)	(35)	(15)	(2)
Misc. Deferred Debits	1525	0		0	0	0	0	0	0	0
Renewable Generation Connection Capital Deferral Account	1531	0		0	0	0	0	0	0	0
Renewable Generation Connection OM&A Deferral Account	1532	0		0	0	0	0	0	0	0
Renewable Generation Connection Funding Adder Deferral Account	1533	0		0	0	0	0	0	0	0
Smart Grid Capital Deferral Account	1534	0		0	0	0	0	0	0	0
Smart Grid OM&A Deferral Account	1535	0		0	0	0	0	0	0	0
Smart Grid Funding Adder Deferral Account	1536	0		0	0	0	0	0	0	0
Retail Cost Variance Account - STR	1548	(7,160)	# of Customers	(6,343)	(725)	(89)	(0)	(2)	(1)	(0)
Board-Approved CDM Variance Account	1567	0		0	0	0	0	0	0	0
Extra-Ordinary Event Costs	1572	0		0	0	0	0	0	0	0
Deferred Rate Impact Amounts	1574	0		0	0	0	0	0	0	0
RSVA - One-time	1582	0		0	0	0	0	0	0	0
Other Deferred Credits	2425	0		0	0	0	0	0	0	0
Total of Group 2 Accounts		474,028		42,482	67,580	302,367	40,703	1,308	3,236	13,434
Deferred Payments in Lieu of Taxes	1562	0		0	0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	(56,432)	kWh	(15,587)	(7,498)	(27,726)	(3,710)	(123)	(296)	(1,225)
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(32,980)	kWh	(9,109)	(4,382)	(16,204)	(2,168)	(72)	(173)	(716)
Total of Account 1562 and Account 1592		(89,412)		(24,696)	(11,880)	(43,930)	(5,879)	(194)	(470)	(1,941)
LRAM Variance Account (Enter dollar amount for each class)	1568	382,913		1,282	97,381	292,108	(7,859)			
(Account 1568 - total amount allocated to classes)		382,913								
Variance		0								
Total Balance Allocated to each class (excluding 1589 and 1586)		2,618,305		649,562	344,369	1,379,228	184,735	5,087	15,018	38,710
Total Balance Allocated to each class from Account 1589		2,333,935		61,179	103,459	2,042,264	0	9	24,281	102,745
Total Balance Allocated to each class (including 1589 and excluding 1586)		4,952,241		710,740	447,827	3,421,492	184,735	5,095	39,299	141,454
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0		0	0	0	0	0	0	0
Accounting Changes Under CGAAP Balance + Return Component	1576	(853,444)	kWh	(235,725)	(113,399)	(419,318)	(56,115)	(1,854)	(4,483)	(18,522)
Total Balance Allocated to each class for Accounts 1575 and 1576		(853,444)		(235,725)	(113,399)	(419,318)	(56,115)	(1,854)	(4,483)	(18,522)

2015 Deferral/Variance Account Worksheet

		Amounts from Sheet 2	Allocator	General Service Greater than 50 kW - MP
LV Variance Account	1550	101,136	kWh	477
Smart Metering Entity Charge Variance Account	1551	(10,221)	kWh	
RSVA - Wholesale Market Service Charge	1580	(169,657)	kWh	
RSVA - Retail Transmission Network Charge	1584	(257,526)	kWh	(1,215)
RSVA - Retail Transmission Connection Charge	1586	(33,751)	kWh	(159)
RSVA - Power (excluding Global Adjustment)	1588	1,056,522	kWh	
RSVA - Global Adjustment	1589	2,333,935	Non-RPP kWh	0
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	0		0
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	0		0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	855,985	%	0
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	85,726	%	0
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	390,705	%	0
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	214,771	%	0
Total of Group 1 Accounts (excluding 1589)		2,233,690		(897)
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	108,816	kWh	514
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	2,739	kWh	13
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ⁸	1508	0		0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	0		0
Other Regulatory Assets - Sub-Account - Other 4 OMERS Difference - 2011 COS Settlement Agreement Item	1508	74,677	kWh	352
Other Regulatory Assets - Sub-Account - Other 4 Capital Gain Variance - 2011 COS Settlement Agreement Item	1508	432,857	kWh	2,043
Retail Cost Variance Account - Retail	1518	(137,902)	# of Customers	(5)
Misc. Deferred Debits	1525	0		0
Renewable Generation Connection Capital Deferral Account	1531	0		0
Renewable Generation Connection OM&A Deferral Account	1532	0		0
Renewable Generation Connection Funding Adder Deferral Account	1533	0		0
Smart Grid Capital Deferral Account	1534	0		0
Smart Grid OM&A Deferral Account	1535	0		0
Smart Grid Funding Adder Deferral Account	1536	0		0
Retail Cost Variance Account - STR	1548	(7,160)	# of Customers	(0)
Board-Approved CDM Variance Account	1567	0		0
Extra-Ordinary Event Costs	1572	0		0
Deferred Rate Impact Amounts	1574	0		0
RSVA - One-time	1582	0		0
Other Deferred Credits	2425	0		0
Total of Group 2 Accounts		474,028		2,917
Deferred Payments in Lieu of Taxes	1562	0		0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	(56,432)	kWh	(266)
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(32,980)	kWh	(156)
Total of Account 1562 and Account 1592		(89,412)		(422)
LRAM Variance Account (Enter dollar amount for each class)	1568	382,913		
(Account 1568 - total amount allocated to classes)		382,913		
Variance		0		
Total Balance Allocated to each class (excluding 1589 and 1586)		2,618,305		1,597
Total Balance Allocated to each class from Account 1589		2,333,935		0
Total Balance Allocated to each class (including 1589 and excluding 1586)		4,952,241		1,597
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0		0
Accounting Changes Under CGAAP Balance + Return Component	1576	(853,444)	kWh	(4,028)
Total Balance Allocated to each class for Accounts 1575 and 1576		(853,444)		(4,028)

Rate Rider Calculation for Deferral / Variance Accounts Balances (excluding Global Adj.)

Rate Rider Calculation for RSVA - Power - Global Adjustment

Rate Class (Enter Rate Classes in cells below)	Units	Non-RPP kW / kWh / # of Customers	Balance of RSVA - Power - Global Adjustment	Rate Rider for RSVA - Power - Global Adjustment	
Residential	kWh	19,654,183	\$ 61,179	0.0031	\$/kWh
General Service Less Than 50 kW	kWh	33,236,983	\$ 103,459	0.0031	\$/kWh
General Service 50 to 4,999 kW	kW	1,613,339	2,042,264	1.2659	\$/kW
Large Use	kW	-	-	-	\$/kW
Unmetered Scattered Load	kWh	2,747	\$ 9	0.0031	\$/kWh
Street Lighting	kW	21,687	\$ 24,281	1.1196	\$/kW
Embedded Distributor	kW	75,112	102,745	1.3679	\$/kW
General Service Greater than 50 kW - MP	kW	-	-	-	\$/kW
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
Total			\$ 2,333,935		

Please indicate the Rate Rider Recovery Period (in years)	1
---	---

[illegible]

\$ -

Please indicate the Rate Rider Recovery Period (in years)	1
---	---

[illegible]

ATTACHMENT 9-2

APPENDIX 2-FA & 2-FC

Appendix 2-FA
Renewable Generation Connection Investment Summary (past investments or over the future rate setting period)

Enter the details of the Renewable Generation Connection projects as described in the appropriate section of the Filing Requirements.

All costs entered on this page will be transferred to the appropriate cells in the appendices that follow.

For Part A, Renewable Enabling Improvements (REI), these amounts will be transferred to Appendix 2 - FB

For Part B, Expansions, these amounts will be transferred to Appendix 2 - FC

If there are more than **five** projects proposed to be in-service in a certain year, please amend the tables below and ensure that the formulae for the Total Amounts in any given rate year are updated. Based on the current methodology and allocation, amounts allocated represent 6% for REI Connection Investments and 17% for Expansion Investments. (pg 15, EB-2009-0349)

There are two scenarios described below. Separate sets of spreadsheets (2-FA, 2-FB, 2-FC) should be submitted for each scenario as required.

Scenario 1: Past Investments with No Recovery. The distributor has made investments in the past (during the IRM Years), but has not received approval for these projects and therefore did not receive revenue from the IESO under Regulation 330/09 and did not receive ratepayer revenue for the direct benefit portion of the investment.

The WCA percentage, debt percentages, interest rates, kWh, tax rates, amortization period, CCA Class and percentage should correspond to the distributor's last Cost of Service approval.

The Direct Benefit portion of the calculated Revenue Requirement for each year should be summed and can be applied for recovery from the distributor's ratepayers through a rate rider.

The Provincial Recovery portion of the calculated Revenue Requirement for each year should be summed and can be applied for recovery from the IESO through a separate order.

Scenario 2: Investments in the Test Year and Beyond. Distributor plans to make investments in 2015 and/or beyond. These investments should be added to 2-FA in the appropriate year.

The WCA percentage, debt percentages, interest rates, kWh, tax rates, amortization period, CCA Class and percentage should correspond to the distributor's current application.

Part A

REI Investments (Direct Benefit at 6%)

Project 1

Name: REI Connection Project

[illegible]

Project 2

Name: REI Connection Project

[illegible]

Project 3

Name: REI Connection Project

[illegible]

Project 4

Name: REI Connection Project

[illegible]

Project 5

Name: REI Connection Project

[illegible][illegible]

Appendix 2-FC

Calculation of Renewable Generation Connection Direct Benefits/Provincial Amount: Renewable Expansion Investments

This table will calculate the distributor/provincial shares of the investments entered in Part B of Appendix 2-FA.
Enter values in green shaded cells: WCA percentage, debt percentages, interest rates, kWh, tax rates, amortization period, CCA Class and percentage.
For historical investments, enter these variables for your last cost of service test year. For 2015 and beyond, enter variables as in the application.
Rate Riders are not calculated for Test Year as these assets and costs are already in the distributors rate base.

	2011			2012			2013			2014		
	Total	Direct Benefit 17%	Provincial 83%	Total	Direct Benefit 17%	Provincial 83%	Total	Direct Benefit 17%	Provincial 83%	Total	Direct Benefit 17%	Provincial 83%
Net Fixed Assets (average)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,008	\$ 9,861	\$ 48,147	\$ 114,713	\$ 19,501	\$ 95,212
Incremental OM&A (on-going, N/A for Provincial Recovery)	\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ -
Incremental OM&A (start-up, applicable for Provincial Recovery)	\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ -
WCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,861	\$ 48,147	\$ 48,147	\$ 19,501	\$ 95,212	\$ 95,212
Deemed ST Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 394	\$ 1,926	\$ 1,926	\$ 780	\$ 3,808	\$ 3,808
Deemed LT Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,522	\$ 26,962	\$ 26,962	\$ 10,921	\$ 53,319	\$ 53,319
Deemed Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,945	\$ 19,259	\$ 19,259	\$ 7,800	\$ 38,085	\$ 38,085
ST Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 47	\$ 47	\$ 19	\$ 94	\$ 94
LT Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 288	\$ 1,406	\$ 1,406	\$ 570	\$ 2,781	\$ 2,781
ROE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378	\$ 1,845	\$ 1,845	\$ 747	\$ 3,649	\$ 3,649
Cost of Capital Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 676	\$ 3,299	\$ 3,299	\$ 1,336	\$ 6,523	\$ 6,523
OM&A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222	\$ 1,082	\$ 1,082	\$ 665	\$ 3,246	\$ 3,246
Grossed-up PILs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 897	\$ 4,381	\$ 4,381	\$ 2,001	\$ 9,769	\$ 9,769
Provincial Rate Protection		\$ -	\$ -		\$ -	\$ -		\$ 4,381	\$ 4,381		\$ 9,769	\$ 9,769
Monthly Amount Paid by IESO		\$ -	\$ -		\$ -	\$ -		\$ 365	\$ 365		\$ 814	\$ 814

Note 1: The difference between the actual costs of approved eligible investments and revenue received from the IESO should be recorded in a variance account. The Board may provide regulatory accounting guidance regarding a variance account either in an individual proceeding or on a generic basis.

Note 2: For the 2015 Test Year, Costs and Revenues of the Direct Benefit are to be included in the test year applicant Rate Base and Revenues.

PILs Calculation

Income Tax	2011		2012		2013		2014	
	Direct Benefit	Provincial	Direct Benefit	Provincial	Direct Benefit	Provincial	Direct Benefit	Provincial
Net Income - ROE on Rate Base	\$ -	\$ -	\$ -	\$ -	\$ 378	\$ 1,845	\$ 747	\$ 3,649
Amortization (17% DB and 83% P)	\$ -	\$ -	\$ -	\$ -	\$ 222	\$ 1,082	\$ 665	\$ 3,246
CCA (17% DB and 83% P)	\$ -	\$ -	\$ -	\$ -	\$ 798	\$ 3,895	\$ 1,532	\$ 7,478
Taxable income	\$ -	\$ -	\$ -	\$ -	\$ 198	\$ 968	\$ 120	\$ 584
Tax Rate (to be entered)								
Income Taxes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Up								
Income Taxes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grossed Up PILs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Fixed Assets

Enter applicable amortization in years: 45

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Opening Gross Fixed Assets	\$ -	\$ -	\$ -	\$ 117,320	\$ 117,320	\$ 117,320	\$ 117,320	\$ 117,320	\$ 117,320
Gross Capital Additions	\$ -	\$ -	\$ 117,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Gross Fixed Assets	\$ -	\$ -	\$ 117,320	\$ 117,320	\$ 117,320	\$ 117,320	\$ 117,320	\$ 117,320	\$ 117,320
Opening Accumulated Amortization	\$ -	\$ -	\$ -	\$ 1,304	\$ 3,911	\$ 6,518	\$ 9,125	\$ 11,732	\$ 14,339
Current Year Amortization (before additions)	\$ -	\$ -	\$ -	\$ 2,607	\$ 2,607	\$ 2,607	\$ 2,607	\$ 2,607	\$ 2,607
Additions (half year)	\$ -	\$ -	\$ 1,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ 1,304	\$ 3,911	\$ 6,518	\$ 9,125	\$ 11,732	\$ 14,339	\$ 16,946
Opening Net Fixed Assets	\$ -	\$ -	\$ -	\$ 116,017	\$ 113,410	\$ 110,802	\$ 108,195	\$ 105,588	\$ 102,981
Closing Net Fixed Assets	\$ -	\$ -	\$ 116,017	\$ 113,410	\$ 110,802	\$ 108,195	\$ 105,588	\$ 102,981	\$ 100,374
Average Net Fixed Assets	\$ -	\$ -	\$ 58,008	\$ 114,713	\$ 112,106	\$ 109,499	\$ 106,892	\$ 104,285	\$ 101,678

UCC for PILs Calculation

	2014	2014	2014	2014	2015	2016	2017	2018	2019
Opening UCC	\$ -	\$ -	\$ -	\$ 112,627	\$ 103,617	\$ 95,328	\$ 87,702	\$ 80,685	\$ 74,231
Capital Additions (from Appendix 2-FA)	\$ -	\$ -	\$ 117,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ 117,320	\$ 112,627	\$ 103,617	\$ 95,328	\$ 87,702	\$ 80,685	\$ 74,231
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 58,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ 58,660	\$ 112,627	\$ 103,617	\$ 95,328	\$ 87,702	\$ 80,685	\$ 74,231
CCA Rate Class (to be entered)	47	47	47	47	47	47	47	47	47
CCA Rate (to be entered)	8%	8%	8%	8%	8%	8%	8%	8%	8%
CCA	\$ -	\$ -	\$ 4,693	\$ 9,010	\$ 8,289	\$ 7,626	\$ 7,016	\$ 6,455	\$ 5,938
Closing UCC	\$ -	\$ -	\$ 112,627	\$ 103,617	\$ 95,328	\$ 87,702	\$ 80,685	\$ 74,231	\$ 68,292

Appendix 2-FC Calculation of Renewable Generation Connection Direct

This table will calculate the distributor/provincial shares of the investments entered in Part I
Enter values in green shaded cells: WCA percentage, debt percentages, interest rates,
For historical investments, enter these variables for your last cost of service test year. For 2015 and beyond, enter variables as in the application.
Rate Riders are not calculated for Test Year as these assets and costs are already in the di

	2015 BRIDGE YEAR			2016 TEST YEAR			2017			2018			2019		
	Total	Direct Benefit	Provincial	Total	Direct Benefit	Provincial	Total	Direct Benefit	Provincial	Total	Direct Benefit	Provincial	Total	Direct Benefit	Provincial
Net Fixed Assets (average)	\$ 112,106	\$ 17%	\$ 83%	\$ 109,499	\$ 17%	\$ 83%	\$ 106,892	\$ 17%	\$ 83%	\$ 104,285	\$ 17%	\$ 83%	\$ 101,678	\$ 17%	\$ 83%
Incremental OM&A (on-going, N/A for Provincial Recovery)	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -
Incremental OM&A (start-up, applicable for Provincial Recovery)	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -
WCA	13%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ 19,058	\$ 19,058	\$ 93,048	\$ 18,615	\$ 18,615	\$ 90,884	\$ 18,172	\$ 18,172	\$ 88,720	\$ 17,728	\$ 17,728	\$ 86,556	\$ 17,285	\$ 17,285	\$ 84,392
Deemed ST Debt	4%	\$ 762	\$ 3,722	\$ 745	\$ 3,635	\$ 727	\$ 3,549	\$ 709	\$ 3,462	\$ 691	\$ 3,376	\$ 673	\$ 3,290	\$ 3,203	\$ 3,116
Deemed LT Debt	56%	\$ 10,672	\$ 52,107	\$ 10,424	\$ 50,895	\$ 10,176	\$ 49,683	\$ 9,928	\$ 48,471	\$ 9,680	\$ 47,260	\$ 9,432	\$ 46,048	\$ 44,836	\$ 43,624
Deemed Equity	40%	\$ 7,623	\$ 37,219	\$ 7,446	\$ 36,354	\$ 7,269	\$ 35,488	\$ 7,091	\$ 34,622	\$ 6,914	\$ 33,757	\$ 6,737	\$ 32,891	\$ 32,025	\$ 31,159
ST Interest	Historical/Bridge	\$ 19	\$ 92	\$ 16	\$ 79	\$ 16	\$ 77	\$ 15	\$ 75	\$ 14	\$ 73	\$ 13	\$ 71	\$ 69	\$ 67
LT Interest	2.46%	\$ 557	\$ 2,718	\$ 541	\$ 2,652	\$ 525	\$ 2,586	\$ 509	\$ 2,520	\$ 493	\$ 2,454	\$ 477	\$ 2,388	\$ 2,322	\$ 2,256
ROE	5.22%	\$ 730	\$ 3,566	\$ 702	\$ 3,381	\$ 674	\$ 3,200	\$ 646	\$ 3,019	\$ 618	\$ 2,838	\$ 590	\$ 2,657	\$ 2,515	\$ 2,373
9.30%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of Capital Total	\$ 1,306	\$ 6,375	\$ 5,612	\$ 1,149	\$ 5,612	\$ 1,122	\$ 5,478	\$ 1,095	\$ 5,344	\$ 1,068	\$ 5,210	\$ 1,041	\$ 5,076	\$ 4,942	\$ 4,808
OM&A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization	\$ 2,607	\$ 443	\$ 2,164	\$ 2,607	\$ 443	\$ 2,164	\$ 2,607	\$ 443	\$ 2,164	\$ 2,607	\$ 443	\$ 2,164	\$ 2,607	\$ 443	\$ 2,164
Grossed-up PILs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Requirement	\$ 1,749	\$ 8,539	\$ 7,776	\$ 1,593	\$ 7,776	\$ 1,565	\$ 7,642	\$ 1,538	\$ 7,508	\$ 1,510	\$ 7,375	\$ 1,482	\$ 7,241	\$ 7,107	\$ 6,973
Provincial Rate Protection	\$ 8,539	\$ 7,776	\$ 7,642	\$ 7,508	\$ 7,375	\$ 7,241	\$ 7,107	\$ 6,973	\$ 6,839	\$ 6,705	\$ 6,571	\$ 6,437	\$ 6,303	\$ 6,169	\$ 6,035
Monthly Amount Paid by IESO	\$ 712	\$ 648	\$ 637	\$ 626	\$ 615	\$ 604	\$ 593	\$ 582	\$ 571	\$ 560	\$ 549	\$ 538	\$ 527	\$ 516	\$ 505

Note 1: The difference between the actual costs of approved eligible investments and revenue received from the IESO should be recorded in a variance account. The Board may provide regulatory accounting guidance regarding a variance account either in an individual proceeding or on a generic basis.

Note 2: For the 2015 Test Year, Costs and Revenues of the Direct Benefit are to be included in the test year applicant Rate Base and Revenues.

PILs Calculation

	2015 TEST YEAR		2016		2017		2018		2019	
	Direct Benefit	Provincial	Direct Benefit	Provincial	Direct Benefit	Provincial	Direct Benefit	Provincial	Direct Benefit	Provincial
Income Tax										
Net Income - ROE on Rate Base	\$ 730	\$ 3,566	\$ 692	\$ 3,381	\$ 676	\$ 3,300	\$ 659	\$ 3,220	\$ 643	\$ 3,139
Amortization (17% DB and 83% P)	\$ 443	\$ 2,164	\$ 443	\$ 2,164	\$ 443	\$ 2,164	\$ 443	\$ 2,164	\$ 443	\$ 2,164
CCA (17% DB and 83% P)	\$ 1,409	\$ 6,880	\$ 1,296	\$ 6,330	\$ 1,193	\$ 5,823	\$ 1,097	\$ 5,358	\$ 1,010	\$ 4,929
Taxable Income	\$ 236	\$ 1,151	\$ 161	\$ 785	\$ 74	\$ 359	\$ 5	\$ 26	\$ 77	\$ 374
Tax Rate (to be entered)										
Income Taxes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Up										
Income Taxes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grossed Up PILs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Fixed Assets

Enter applicable amortization in years: 45

Opening Gross Fixed Assets
Gross Capital Additions
Closing Gross Fixed Assets

Opening Accumulated Amortization
Current Year Amortization (before additions)
Additions (half year)
Closing Accumulated Amortization

Opening Net Fixed Assets
Closing Net Fixed Assets
Average Net Fixed Assets

UCC for PILs Calculation

Opening UCC
Capital Additions (from Appendix 2-FA)
UCC Before Half Year Rule
Half Year Rule (1/2 Additions - Disposals)
Reduced UCC
CCA Rate Class (to be entered)
CCA Rate (to be entered)
CCA
Closing UCC

47
8%